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memo w/ att.	From Brzezinski to The President (5 pp.) re: meetings with the Vietnamese/ enclosed in Hutcheson to Brzezinski 12/1/77	12/1/77	A

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THE PRESIDENT'S SCHEDULE

Thursday - December 1, 1977

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

9:00 Congressman Ralph Metcalfe. (Mr. Frank
(15 min.) Moore) - The Oval Office.

9:20 Secretary Patricia Harris. (Mr. Jack Watson).
(10 min.) The Oval Office.

9:45 Meeting with Congressman James Corman and
(30 min.) Members of Subcommittee Considering Welfare
Legislation. (Mr. Frank Moore) - Cabinet Room.

10:30 Mr. Jody Powell - The Oval Office.

12:30 Lunch with Mrs. Rosalynn Carter - The Oval Office.

1:15 Greet White House Tour Officers - The Blue Room.
(10 min.)

2:00 Interview with Mr. Scotty Reston. (Mr. Jody Powell).
(30 min.) The Oval Office.

3:30 Panama Canal Briefing for Senate Staffers.
(15 min.) (Mr. Hamilton Jordan) - The State Dining Room.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

1 December 1977

MEMORANDUM TO THE PRESIDENT

FROM:

RICK HUTCHESON *R.H.*

SUBJECT:

Summary of Recent DNC Political
Desk Reports

CAMPAIGN '78

1. New Mexico Democrats Tony Anaya (Attorney General) and Dan Croy (State Chair) are considering challenges to GOP Sen. Peter Domenici.
2. Having announced that he will not run for the U.S. Senate, Michigan GOP Gov. Bill Milliken is expected to run for reelection.
3. Cong. Andy Maguire plans to open a Senate campaign office shortly, challenging GOP Sen. Clifford Case.

POLLS

4. A recent Peter Hart poll in Florida (for gubernatorial candidate Bob Shevin) found a marginally favorable rating for Carter in the state. The President is rated most highly by former Wallace supporters and businessmen, and poorly by the Jewish community. (No numbers were available.)
5. A recent statewide Montana poll found that the President's approval has dropped to 20%; this is attributed primarily to Administration farm and water policies. Ratification of the Panama Treaties was opposed 70-11%, with 19% undecided.
6. The most recent California Field Poll finds that Gov. Jerry Brown has maintained his popularity to date, compared with this time last year: good job - 39%; fair job - 41%, poor job - 15%. A majority thinks he has done a good job of restoring faith in political leaders. However, pluralities now criticize his lack of accomplishments, and his leadership style.

MISCELLANEOUS

7. New Hampshire Cong. Norm D'Amours has announced his opposition to the Panama Canal Treaties, making it more difficult to gain the support of Senators McIntyre and Durkin.
8. North Carolina Sen. Bob Morgan, speaking before the State Bar Association, recently blasted the lack of active White House participation in making federal appointments.
9. St. Sen. Chester Atkins (former Udall Chairman) is the new Democratic Chairman in Massachusetts.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 1, 1977

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MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*

SUBJECT: THE CONTROVERSY IN CHICAGO REGARDING
THE SHIPMENT OF URANIUM THROUGH
O'HARE INTERNATIONAL AIRPORT

BACKGROUND FACTS

- (1) About two years ago, New York banned all air shipment of uranium through Kennedy International Airport, thereby causing the federal government to turn to O'Hare International Airport in Chicago for such shipments out of the country.
- (2) There are ten or so shipments by air per year of highly enriched uranium that move through O'Hare. Every one of those shipments is carefully monitored by inspectors of the Nuclear Regulatory Commission. (Low enriched uranium and radio-pharmaceuticals are shipped without any tracking or inspection.)
- (3) Last week, the Chicago Sun-Times ran an article
 - (a) indicating that the highly enriched uranium shipments which formerly went through Kennedy Airport now go through O'Hare and that Chicago City officials knew essentially nothing about such shipments, and
 - (b) pointing out the dangers of terrorists' stealing such material to make a nuclear weapon.
- (4) Following the attention focused on the matter by the article in the Chicago Sun Times, the Illinois Attorney General, William Scott (Republican), sent a telegram to Mayor Bilandic yesterday stating that the Mayor should ban all shipments of radio-active materials through Chicago.

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- (5) As you know from your telephone conversation with Mayor Bilandic this morning, he wants to act responsibly in the matter and is seeking our help in explaining the situation to the press, the public and other politicians in Chicago. He is eager to resist the political and emotional pressures that the Attorney General and others are seeking to bring to bear on him.

ACTIONS TAKEN

- (1) I have spoken to Mayor Bilandic twice since talking with you this afternoon about the situation. I have also discussed the matter with Jim Schlesinger and Joe Hendrie, Chairman of the Nuclear Regulatory Commission, under whose jurisdiction the matter lies. We all agreed on the following course of action.
- (2) Mr. Cliff Smith, Director of the Office of Nuclear Material Safety and Safeguards and Mr. Ernst Volgenau, Director of the Office of Inspection and Enforcement, are both on their way to Chicago now to meet with the Mayor first thing in the morning.

The Mayor is very pleased by this course of action and said that he would call me tomorrow if he had any further questions or problems. I shall keep you appropriately informed.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 1, 1977

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MEMORANDUM FOR THE PRESIDENT

FROM: Jody Powell

SUBJECT: L'Express Poll

Mr. Pres.

*This is interesting
but not urgent. It
is something to look at
over the weekend if you
need some good news.*

Pierre Salinger called me yesterday with results of a L'Express poll of French voters which will run next week in a cover issue on the Carter Administration. Overall, the results are quite good, and it is my impression that they will be favorably interpreted in the story and by other news outlets which pick up from that issue.

Your name recognition is quite high for an American President who has been in office only nine months. When asked to identify the American President, 81% of French adults named Jimmy Carter, 2% say Gerald Ford, 1% still think Nixon is running the show, and 16% admit they don't know.

When asked whether you are doing a good job for the United States, 50% rate your performance as excellent or good, 10% say fair or poor, and 40% do not know. On

this question, as on many others, the interesting break is between the non-Communists and Communist Party affiliates in France. On almost every question, Communists give you the most negative rating. For example, on this question the breakout is as follows:

	<u>Excellent/Good</u>	<u>Fair/Poor</u>
Communists	34%	21%
Socialists	58	10
Republicans (Giscard's party)	55	10
Gaullists	58	8

You also do quite well when Frenchmen are asked to pick a word to associate with your name. In this question, they were given a list of words and asked to pick one. The results are as follows:

Sympathetic	38%
Honest	26
Courageous	25
Sincere	23
Energetic	21

Among the negative terms, the highest choice was "inexperienced", at 16%, followed by "naive", 7%; "lightweight", 6% (that is the closest English translation of a somewhat less pejorative French term); "imperialistic", 5% (this is an extremely low rating on that term for an American President;

according to Pierre, a much larger number of Frenchmen normally would consider an American President to be imperialistic); and finally, "weak", 4%.

As you might expect, you do not at this point fare very well in popularity ratings with other recent American Presidents. Predictably, the most popular is JFK at 68%, followed by Eisenhower at 8%; Nixon, 3%; Johnson, 2%; Carter, 2% and Truman, 1%.

Respondents were asked whether in a crisis situation they would have total confidence, a great deal of confidence, little confidence or no confidence in your ability to deal with the crisis. 46% stated that they would have total confidence or a great deal of confidence; 25% said little or no, with 29% unable or unwilling to express an opinion.

Again, the party breakdown is interesting. Figures are as follows:

	<u>Total or a great deal of confidence</u>	<u>Little or no confidence</u>
Communists	36%	41%
Socialists	51	30
Republicans	54	23
Gaullists	54	29

When asked their opinion of various aspects of American foreign policy, or more precisely, your handling of various

aspects of American foreign policy, the results are as follows:

	<u>Favorable</u>	<u>Unfavorable</u>
Detente	46%	12%
Human rights	48	11
Middle East	30	21
International economics	18	32
Concorde	14	62
Disarmament	28	25

These figures deserve some additional comment. Again, the left parties are much more negative than the government parties as a rule. For example, the Communists rate you on the Middle East as 17% favorable, 39% unfavorable; whereas, the Socialists are 35-26; Republicans, 38-19; and Gaullists, 39-21.

On international economics and Concorde, you received not very good marks across the board, but on these two issues, the strongest negative feeling is found at the extreme right and the extreme left with Communists and Gaullists rating you lower than those identified with the parties in the middle.

The area of disarmament in my opinion and Pierre's opinion is an opportunity for us. The people who rate you lowest are again those on the left -- Socialists and Communists.

In Pierre's opinion they simply are not aware of the efforts that you have made in this area. We may want to consider giving some prominence to our initiatives and the success we have so far enjoyed in this area in any additional interviews, or perhaps during the trip.

Pierre was surprised to find that on the whole Frenchmen think France is more democratic than the United States. The figures are France more democratic, 38: U.S. more democratic, 19%; about the same, 26%. In this case, as might be expected, the feeling that France is more democratic is most common at the extremes, with both the Gaullists and the Communists holding that view in significantly greater numbers than the Republicans and the Socialists.

When asked to give their view of U. S. foreign policy in general, 46% of Frenchmen reacted favorably, while 24% reacted unfavorably.

On a much more interesting question, the respondents were asked a question about U. S. intervention into the affairs of other nations:

"With regard to intervention in the affairs of other countries, do you think the United States

(1) tries to avoid intervention whenever possible?

6%

- (2) intervenes only when compelled or obligated to by important national interests? 42%
- (3) intervenes systematically in the affairs of other nations? 31%"

As you might expect, once again the left is more negative than the center and right. The figures are:

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
Communists	5%	35%	46%
Socialists	7	39	40
Republicans	4	55	23
Gaullists	4	57	24

cc: Zbigniew Brzezinski, NSC
John Reinhart, USIA
Hodding Carter, State
Jim Fallows

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Tom

THE WHITE HOUSE
WASHINGTON

Notes
Heston interview
12-1-77

No longer just US vs SU ✓

" " " one or two efforts ✓

ESU { SALT ✓ Indian Ocean ✓
CTB ✓ Arms sales ✓
ASAT ✓ Non prolif. ✓
MBFR ✓ Prior notification ✓

Namibia, Rhodesia, S. Africa ✓
OAU. New leaders (Obasanyo) ✓

Panama. Caribbean, Tlatelolco ✓

NATO. Tri. Lateral. Economics ✓

Canada & Mexico

Mid East. Comprehensive ✓

Cuba - Viet Nam ✓

India - China. OPEC ✓

Priorities & goals ✓

Human Rts = Arms = Prolif. ✓

Public involvement ✓

Cash benefits 32/36 vs 30/40
~~Job oppor. ed. poor family & child~~
Ev fam & working adult > poverty
Those who work, > income
~~Reduce family breakup~~
Cost to St/Loc < \$2.1B, \nearrow later
~~Simpler admin.~~
EITC = \$49B tax relief
Day care, 1 parent + 600M
Jobs programme - now working
Not easy - balanced
Comprehensive
CETA Countercyc - maintain
Jobs and income
Costs must be contained

Retrospective accounting
Benefit reduction rate
Min wage

Welfare Mtg 12/1/77

Thanks - Willingness to work

W. reform important - S. Partisan
Complex

Goals:

Uniform national rules
Ev fam & children - able - have job
Encourage full/part private empl.
Pub Train/jobs when no private

Fam - more income when it works
Keep families together

EITC - help working poor

Decent income - Those who can't work

Simpler - easier to admin.

Elim fraud.

Reduce unpredictable \nearrow Loc/St Cost

Local admin jobs programme

Costs near present system

Hold to admin bill

THE WHITE HOUSE

WASHINGTON

November 30, 1977

MEETING WITH SPECIAL WELFARE REFORM SUBCOMMITTEE

Thursday, December 1, 1977

9:45 a.m. (30 minutes)

Cabinet Room/308 OEOB

From: Frank Moore
Stu Eizenstat
Secretary Califano

I. PURPOSE

To discuss the upcoming markup of the Administration's welfare reform proposal.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: See Addendum A for background details.

As you know, the welfare reform issue is a very emotional and controversial one. Rep. Jim Corman would like you to do the following in your meeting with the Subcommittee.

- 1--Emphasize the need for a strong bi-partisan effort for the bill.
- 2--Stress the urgency and priority of the bill in terms of welfare as one of the most important domestic issues.
- 3--Urge the importance of sticking to a time schedule as proposed by the Subcommittee and Speaker in order to get a bill passed by the House early next year.
- 4--Stress the urgency of quick action because of the financial drain on local governments.
- 5--Emphasize the need to consolidate, simplify, and rationalize our fragmented patchwork welfare system.

As you know, Frank Moore is talking with you about priority items for the next session of Congress. Welfare reform has been classified as a Priority 3 item, which is Secretarial (Cabinet) priority. Rep. Corman would like you to push hard for action out of this session of Congress and wants you to make that very clear to the Members present.

Participants: See attached list.

Press Plan: White House Photographer.

Participants
December 1, 1977

The President
Secretary Ray Marshall/Labor
Secretary Joe Califano/HEW
Nik Edes-Deputy Under Secretary of Labor for Legislation
Stu Eizenstat
Frank Moore
Valerie Pinson
Bill Cable
Jack Watson
Frank Raines
Ken Bowler-Subcommittee counsel
Dick Warden

MEMBERS: SPECIAL WELFARE REFORM SUBCOMMITTEE

Democrats

Jim Corman-Chairman
Carl Perkins
Tom Foley
Fred Richmond
Jim Burke
Bill Clay
Rick Nolan
Daniel Akaka
Joe LeFante
Jim Guy Tucker
Ted Weiss
Charlie Rangel
Pete Stark
Bill Brodhead
Joe Fisher
Matt McHugh
Andy Jacobs
Martha Keys

Republicans

Guy Vander Jagt
Bill Wampler
Ronald Sarasin
Skip Bafalis
Bill Ketchum
Bill Goodling
Bill Gradison

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
James Corman (D-21-Calif)	Major City: Hollywood 96% central city; 4% suburban 55% white collar; 34% blue collar	1960	66.5	#4-Small Business #6-Ways and Means Chairman-Public Assistance & Unemployment Compensation Subcommittee Chairman-Special Welfare Reform Subcommittee	96.7
Carl Perkins (D-7-Kentucky)	Major City: Ashland 6% central city; 5% suburban 34% white collar; 47% blue collar	1948	73.2	Chairman-Education and Labor	78.8
Fred Richmond (D-14-N.Y.)	Major City: Brooklyn 100% central city 47% white collar; 37% blue collar	1974	85	#11-Agriculture Chairman-Domestic Marketing, Consumer Relations, and Nutrition Subcommittee. #13-Small Business	93.5
James Burke (D-11-Mass)	Major City: Boston 49% central city; 51% suburban 54% white collar; 33% blue collar	1958	69	#2-Ways and Means Chairman-Social Security Subcommittee	73.9
Richard Nolan (D-6-Minn)	Major City: Minneapolis 87% central city; 13% suburban 55% white collar; 30% blue collar	1974	59.8	#12-Agriculture Chairman-Family Farms, Rural Development, and Special Studies Subcommittee #16-Small Business	87.9
Daniel Akaka (D-2-Hawaii)	Major Area: all of Hawaii except Honolulu 0% central city; 66% suburban 44% white collar; 35% blue collar	1976	79.5	#29-Agriculture #28-Merchant Marine & Fisheries	93.9
Joseph LeFante (D-14-N.J.)	Major City: Jersey City 55% central city; 45% suburban 45% white collar; 43% blue collar	1976	49.9	#21-Education and Labor #21-Small Business	70.6
Jim Guy Tucker (D-2-Ark)	Major City: Little Rock 40% central city; 27% suburban 46% white collar; 37% blue collar	1976	86.4	#24-Ways and Means	81.8

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
Ted Weiss (D-20-N.Y.)	Major City: Manhattan 100% central city 64% white collar; 22% blue collar	1976	83.2	#22-Education and Labor #29-Government Operations	88.2
Charles Rangel (D-19-N.Y.)	Major City: Harlem 100% central city 49% white collar; 27% blue collar	1970	97	#11-Ways and Means	85.3
Pete Stark (D-9-Calif)	Major City: Oakland 28% central city; 72% suburban 52% white collar; 35% blue collar	1972	70.8	#9-District of Columbia #13-Ways and Means	87.5
Bill Brodhead (D-17-Mich)	Major City: Detroit 56% central city; 44% suburban 58% white collar; 31% blue collar	1974	64.3	#21-Ways and Means	78.8
Joe Fisher (D-10-Va)	Major Area: D.C. suburbs 100% suburban 75% white collar; 15% blue collar	1974	54.7	#16-Budget #18-Ways and Means	79.4
Matt McHugh (D-27-N.Y.)	Major City: Binghamton 14% central city; 44% suburban 51% white collar; 32% blue collar	1974	66.6	#19-Agriculture #23-Interior and Insular	92.9
Bill Clay (D-1-Mo)	Major City: St. Louis 66% central city; 34% suburban 46% white collar; 33% blue collar	1968	65.5	#9-Education and Labor #7-Post Office & Civil Service Chairman-Civil Service Subcommittee	84.6
Guy Vander Jagt (R-9-Mich)	Major Area: eastern shore of Lake Michigan 13% central city; 48% suburban 37% white collar; 46% blue collar	1966	70	#4-Ways and Means Ranking Rep-Public Assistance and Unemployment Compensation Subcommittee	17.2
Bill Wampler (R-9-Va)	Major City: Bristol 0% central city; 0% suburban 32% white collar; 52% blue collar	1966	57.3	#1-Agriculture (Ranking Republican)	13.3
Ronald Sarasin (R-5-Conn)	Major City: Danbury 42% central city; 39% suburban 51% white collar; 40% blue collar	1972	66.5	#4-Education and Labor	23.5

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
Skip Bafalis (R-10-Fla)	Major City: Sarasota 6% suburban 43% white collar; 33% blue collar	1972	66.3	#9-Ways and Means	20
Bill Ketchum (R-18-Calif)	Major City: Bakersfield 15% central city; 77% suburban 44% white collar; 32% blue collar	1972	64.2	#10-Ways and Means	17.6
Bill Goodling (R-19-Pa)	Major City: York 11% central city; 89% suburban 44% white collar; 43% blue collar	1974	70.6	#8-Education and Labor #11-International Relations	23.3
Bill Gradison (R-1-Ohio)	Major City: Cincinnati 48% central city; 52% suburban 53% white collar; 33% blue collar	1974	64.8	#12-Ways and Means	31.3
Tom Foley (D-5-Wash)	Major City: Spokane 35% central city; 24% suburban 49% white collar; 28% blue collar	1964	58.0	Chairman-Agriculture	75.8



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

NOV 30 1977

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *gac*

SUBJECT: Meeting With Welfare Reform Subcommittee

You will be meeting with the special Welfare Reform Subcommittee created by the Speaker on Thursday morning, two days after the markup begins. This memorandum sets out: (1) an outline of the likely markup schedule; (2) a brief description of the major issues that are likely to be debated vigorously by the Subcommittee; (3) an overview of the Subcommittee membership; and (4) suggested talking points.

As you know, the Subcommittee has tentatively agreed to remain in Washington during the recesses to continue work on the legislation. But, given the complexity of the bill, spirits on the Subcommittee are flagging. The most important message you can convey is that you personally are deeply appreciative of their extraordinary efforts and you want to have your welfare reform proposal enacted during 1978. If we are to have any chance of achieving that goal, the special Subcommittee must report a bill out before Congress reconvenes next year.

I. The Markup Schedule

The Subcommittee has just completed several weeks of hearings on the Administration proposal, including regional hearings. With the urging of Speaker O'Neill, the Subcommittee has scheduled daily markup sessions on the bill from Tuesday, November 29 to December 22, if necessary. The planned schedule for the markup, however, may be affected by conflicts with the schedules of the House-Senate conferences on Energy and Social Security.

The Subcommittee has not yet adopted any procedures for the markup. Corman and his staff, however, are operating on the assumption that the markup will proceed in two stages.

First, the Subcommittee will make decisions on each of ten to fifteen major issues or concepts underlying the legislation (e.g., consolidation of AFDC, SSI and Food Stamps; benefit levels; work requirements, retrospective accounting, etc.). This will take up the entire period between Thanksgiving and Christmas. On the basis of these decisions, the staff will then prepare a bill for the Subcommittee's consideration that will, in most important respects, hopefully resemble the Administration's proposal.

Second, the Subcommittee will return after January 1st to markup the staff's draft bill and to report it out to the three full Committees (Agriculture, Education and Labor, and Ways and Means). If the present (optimistic) schedule holds, those Committees would complete action on the bill in time for it to be reported to the House floor (through the Rules Committee) by approximately March 1st.

II. The Major Issues

While a consensus exists that welfare reform is needed, there is as yet no consensus in the Subcommittee that the Administration proposal is the right answer. Before outlining specific issues that are likely to be of prime concern to members of the Subcommittee during the markup, I would note that we must overcome two general concerns that are working against our proposal.

First, many members feel that the Administration proposal is complex, and they do not understand fully how it will work. Thus, some are concerned that any new scheme runs the risk of being difficult to administer, and they would prefer to stick closer to the existing system. They are tempted by the argument that welfare reform should be undertaken incrementally, through a number of specific changes in the existing programs, rather than on a comprehensive basis.

We are countering the incrementalist argument as strongly as we can, and we hope that, as the Subcommittee members come to understand the proposal better during the markup, they will feel more comfortable with comprehensive reform. While we have been in constant contact with Congressional staff, most members have not, until recently, been willing to be briefed personally.

Second, there is widespread concern that the jobs component of the Program for Better Jobs and Income will not work, will have adverse consequences on job markets, or will undermine the prospects for other important jobs programs. A significant problem has been created by uncertainty regarding the Administration's plans on the extension of existing CETA programs. Ending that uncertainty will be a great help in winning support for the jobs portion of the program.

Ray Marshall and I have testified that the existing countercyclical programs will continue, and they want to hear it from you. It is imperative that you tell them this.

One additional general problem: The Congressional Budget Office has just completed the process of costing out the welfare reform proposal in 1982 dollars. There will be differences between our estimates and CBO estimates (with CBO showing higher costs). The estimated outlays for the cash assistance program are very close to HEW's estimates (OMB has not yet approved 1982 estimates -- and should do so quickly). There are significant differences between our estimates and CBO regarding the jobs program and the off-setting costs. We will do all that we can to work with CBO to reconcile any differences in numbers as soon as possible.

A. Cash Assistance

1. Cashing out Food Stamps: A number of Subcommittee members want to maintain the existing Food Stamps program, both for political reasons (strikers get Food Stamps and, to a lesser degree, farm state congressmen can get urban votes for farm programs) and because they believe that cash will not be used as wisely as Food Stamps by the poor. Cashing out Food Stamps is critically important, since the rationale for a consolidated cash assistance system would be seriously (if not fatally) undermined by a decision to retain a separate Food Stamps program.

2. Limits on Benefit Reduction Rates in State Supplements: As currently drafted, the bill forbids States to adopt or maintain supplement programs which establish a benefit reduction rate higher than 52% for families or individuals expected to work. (The maximum benefit reduction rate for families not expected to work is 70%.) The purpose of the restriction is to preserve work incentives in the Federal program.

The limit, however, has created a serious problem for a number of important states which currently pay relatively high benefits and which have benefit reduction rates in excess of 52 percent for families or individuals expected to work under our proposal. These States do not wish to reduce existing benefit levels, but cannot afford to maintain those levels in supplements with only a 52% benefit reduction rate (because the break-even point would be so high). Accordingly, they have strongly urged the Subcommittee to ease the 52% restriction. Many members of the Subcommittee, including Chairman Corman, are sympathetic to the States on this point, and we are getting significant pressure from the States -- our strongest allies -- to relax our position on this point.

3. Retrospective Accounting and Length of Accountable Period: The six-month retrospective accountable period is unpopular with many liberal members of the Subcommittee. We believe that we will be successful in retaining the principle of retrospective as opposed to prospective accounting. But there will be substantial pressure to reduce the length of the accountable period. Such a reduction will raise program costs (by almost \$1 billion if the period is three months and by about \$1.5 billion if the period is one month).

4. Reduced Benefits During Job Search: Many of the States and liberal groups are unhappy with the reduced benefit during the eight-week job search period (\$2300 as opposed to \$4200) for families with children. The liberals think it unduly harsh, and the States fear that it will increase pressures for emergency needs payments.

5. Indexing of Benefits: While the Administration is committed to the proposition that the real value of benefits should be maintained -- indeed improved -- over time, the bill, in accordance with your decision last July, contains no provision for automatic indexing of benefits. SSI and Food Stamps are currently indexed, and there will be substantial sentiment in the Subcommittee to index benefits under the new program.

6. Higher benefits/Mandatory State Supplements: Some liberals feel that the benefit levels proposed are too low, and that the incentives to state supplementation (through Federal subsidies) may not be sufficient to assure that

States will establish or maintain adequate benefits. Their concern may be reflected in pressure for either increased Federal benefits or mandatory State supplements.

7. The EITC: Some members believe that the EITC should not be expanded into the \$10,000 - \$20,000 income range, and may therefore oppose our proposal to extend the EITC into higher ranges of earnings.

8. Administrative Role for States: The Administration proposal gives States the option to elect to maintain administration of the intake and eligibility determination functions, with Federal computation and payment of benefits. The States are pressing strongly to administer the program completely -- subject to Federal oversight and with a central Federal data bank.

B. The Jobs Program

1. Wage Rates: Organized labor and some welfare recipient groups strongly oppose paying the minimum rather than the prevailing wage for the new Public Service jobs. Recipient groups fear that minimum wage jobs will be dead-end jobs. Labor unions worry that the jobs will be similar or identical to jobs now being performed by union members at higher wages, and that those union wages will be depressed by the new PSE jobs.

2. The Entitlement Approach: Some liberals on the Subcommittee want all principal earners eligible for a PSE job (only principal earners in families with children) to be entitled to one. This would require an open-ended authorization for the creation of as many jobs as necessary.

3. Expanded Eligibility for PSE Jobs: Some Subcommittee liberals would like to expand eligibility for PSE jobs to include single individuals and childless couples as well as principal earners in families with children. We think most Subcommittee members realize that this involves wholly intolerable costs -- in the range of up to \$20 billion.

4. A Priority System for PSE Jobs: Fearing that the Department of Labor may not be able to create enough PSE jobs for those who are eligible, a number of Subcommittee

members -- including Chairman Corman -- have indicated that they believe the bill should include some priority system to insure that if there are not enough jobs to go around the available jobs go to those who are most needy.

5. Phase-Out of CETA Title VI: As already noted above, there is a great deal of uncertainty about the future of CETA Title VI. Many Subcommittee members believe that economic conditions dictate the continuation of the counter-cyclical program, perhaps even after welfare reform becomes effective. The issues involved here include the timing of any phase-out of the Title VI program, whether there should be a program to phase-in the new special PSE jobs, and what wage rates should be paid in any transitional period.

6. Day Care: A number of Subcommittee members are concerned that our proposal does not have additional day care slots for heads of families who are expected to work. These members will be very resistant to work requirements without what they consider to be adequate provision of day care.

7. Administration of PSE Program: Many States are pressing for a greater role in administering the new PSE jobs program. They believe that State administration would be more effective and efficient than administration by CETA prime sponsors.

Our present position, of course, is not to deviate from the proposal sent to the Congress in September on any of the issues noted above. My staff is in close contact with Stu Eizenstat and with DOL staff, and, as the markup proceeds, we may want to consider fall back positions only if the Subcommittee is clearly going to move away from our original proposals.

III. The Subcommittee: A Brief Overview

A list of the Subcommittee members is attached.

The Subcommittee includes members from Ways and Means (public assistance), Education and Labor (employment) and Agriculture (food stamps). The nucleus is the Ways and

The President
Page Seven

Means Subcommittee on Public Assistance (15 members); it is augmented by seven members each from Education and Labor and from Agriculture. The Welfare Reform Subcommittee is considered somewhat more liberal than the parent committees. It is also more liberal than the House as a whole.

As noted, the members indicate a general willingness to deal with the subject of welfare reform, but no consensus on the issues has yet emerged. That is the reason Chairman Corman wants to work through the bill by concepts before tackling legislative language. This approach is common practice on complicated legislation in Ways and Means, but it is new for members from Education and Labor and from Agriculture.

A key to keeping the jobs section of the bill intact will be Gus Hawkins who chairs the Labor Subcommittee with responsibility for CETA. Hawkins wants to know the Administration plans for CETA before committing himself on the jobs side of the welfare reform package. Several Subcommittee members have problems with the jobs section; some doubt our ability to create 1.4 million new jobs, others say more will be needed and still others argue that these PSE jobs will undercut CETA PSE jobs. Carl Perkins, with whom I have been meeting, can be helpful here.

We will have problems with some members from Agriculture and others on the question of cashing out food stamps. Fred Richmond chairs the subcommittee which handles food stamps on Agriculture, and he opposes a cashing out. So does Chairman Foley at this time. I will be meeting with him this week. Some of the Ways and Means members -- Bill Brodhead, for example -- also oppose cashing out food stamps.

Chairman Ullman is preparing an alternative proposal, which still has not publicly surfaced, but which would retain and expand the food stamp program -- as a means of attracting votes from Education and Labor and from Agriculture so as to submarine our proposal. He remains as opposed as ever to cash supplementation based on family size.

Subcommittee members with heavy labor constituencies are being pressured to retain a separate food stamp program and to oppose the six-month retrospective accounting period in our bill.

The President
Page Eight

In sum, there is general agreement on the Democratic side of the Subcommittee about the need for reform; but there is wide disagreement about how to do it. On the Republican side, there are only three or four who have said they would rather do nothing. VanderJagt, Conable, Gradison and Sarasin will be responsible, but they will have alternatives to many of the provisions in our proposal. Bafalis, Symms and Goodling have been the most outspoken opponents of our bill.

IV. Talking Points for Meeting with Subcommittee Members:

I would suggest that you cover the following points in your meeting with the Subcommittee members:

- o Express deep gratitude for the time and effort members have put into hearings and their willingness to schedule markup sessions during the Thanksgiving-Christmas period.

- o Emphasize the importance of enacting welfare reform legislation in this Congress.

- o Emphasize bipartisan approach: There is broad agreement on need for reform of existing system and this will be our last chance to enact comprehensive reform for at least a decade.

- o Emphasize the importance of maintaining the basic principles and structure of the program:

1. Consolidation of cash assistance programs.
2. Uniform national rules and eligibility standards.
3. A jobs program to make work requirements meaningful.
4. Integration of the cash assistance and jobs programs.
5. Fiscal relief to state and local governments.

- o Indicate that the present CETA Title VI countercyclical program will not phase out if unemployment remains high and that the welfare jobs program will thus not be put in place at the expense of CETA VI.

As noted, only with strong Presidential leadership will we be able to get welfare reform through Congress next year.



THE PRESIDENT HAS SEEN.

ADDENDUM A

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

NOV 30 1977

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *gac*

SUBJECT: Meeting With Welfare Reform Subcommittee

You will be meeting with the special Welfare Reform Subcommittee created by the Speaker on Thursday morning, two days after the markup begins. This memorandum sets out: (1) an outline of the likely markup schedule; (2) a brief description of the major issues that are likely to be debated vigorously by the Subcommittee; (3) an overview of the Subcommittee membership; and (4) suggested talking points.

As you know, the Subcommittee has tentatively agreed to remain in Washington during the recesses to continue work on the legislation. But, given the complexity of the bill, spirits on the Subcommittee are flagging. The most important message you can convey is that you personally are deeply appreciative of their extraordinary efforts and you want to have your welfare reform proposal enacted during 1978. If we are to have any chance of achieving that goal, the special Subcommittee must report a bill out before Congress reconvenes next year.

I. The Markup Schedule

The Subcommittee has just completed several weeks of hearings on the Administration proposal, including regional hearings. With the urging of Speaker O'Neill, the Subcommittee has scheduled daily markup sessions on the bill from Tuesday, November 29 to December 22, if necessary. The planned schedule for the markup, however, may be affected by conflicts with the schedules of the House-Senate conferences on Energy and Social Security.

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for Preservation Purposes

The Subcommittee has not yet adopted any procedures for the markup. Corman and his staff, however, are operating on the assumption that the markup will proceed in two stages.

First, the Subcommittee will make decisions on each of ten to fifteen major issues or concepts underlying the legislation (e.g., consolidation of AFDC, SSI and Food Stamps; benefit levels; work requirements, retrospective accounting, etc.). This will take up the entire period between Thanksgiving and Christmas. On the basis of these decisions, the staff will then prepare a bill for the Subcommittee's consideration that will, in most important respects, hopefully resemble the Administration's proposal.

Second, the Subcommittee will return after January 1st to markup the staff's draft bill and to report it out to the three full Committees (Agriculture, Education and Labor, and Ways and Means). If the present (optimistic) schedule holds, those Committees would complete action on the bill in time for it to be reported to the House floor (through the Rules Committee) by approximately March 1st.

II. The Major Issues

While a consensus exists that welfare reform is needed, there is as yet no consensus in the Subcommittee that the Administration proposal is the right answer. Before outlining specific issues that are likely to be of prime concern to members of the Subcommittee during the markup, I would note that we must overcome two general concerns that are working against our proposal.

First, many members feel that the Administration proposal is complex, and they do not understand fully how it will work. Thus, some are concerned that any new scheme runs the risk of being difficult to administer, and they would prefer to stick closer to the existing system. They are tempted by the argument that welfare reform should be undertaken incrementally, through a number of specific changes in the existing programs, rather than on a comprehensive basis.

We are countering the incrementalist argument as strongly as we can, and we hope that, as the Subcommittee members come to understand the proposal better during the markup, they will feel more comfortable with comprehensive reform. While we have been in constant contact with Congressional staff, most members have not, until recently, been willing to be briefed personally.

Second, there is widespread concern that the jobs component of the Program for Better Jobs and Income will not work, will have adverse consequences on job markets, or will undermine the prospects for other important jobs programs. A significant problem has been created by uncertainty regarding the Administration's plans on the extension of existing CETA programs. Ending that uncertainty will be a great help in winning support for the jobs portion of the program.

Ray Marshall and I have testified that the existing countercyclical programs will continue, and they want to hear it from you. It is imperative that you tell them this.

One additional general problem: The Congressional Budget Office has just completed the process of costing out the welfare reform proposal in 1982 dollars. There will be differences between our estimates and CBO estimates (with CBO showing higher costs). The estimated outlays for the cash assistance program are very close to HEW's estimates (OMB has not yet approved 1982 estimates -- and should do so quickly). There are significant differences between our estimates and CBO regarding the jobs program and the off-setting costs. We will do all that we can to work with CBO to reconcile any differences in numbers as soon as possible.

A. Cash Assistance

1. Cashing out Food Stamps: A number of Subcommittee members want to maintain the existing Food Stamps program, both for political reasons (strikers get Food Stamps and, to a lesser degree, farm state congressmen can get urban votes for farm programs) and because they believe that cash will not be used as wisely as Food Stamps by the poor. Cashing out Food Stamps is critically important, since the rationale for a consolidated cash assistance system would be seriously (if not fatally) undermined by a decision to retain a separate Food Stamps program.

2. Limits on Benefit Reduction Rates in State Supplements: As currently drafted, the bill forbids States to adopt or maintain supplement programs which establish a benefit reduction rate higher than 52% for families or individuals expected to work. (The maximum benefit reduction rate for families not expected to work is 70%.) The purpose of the restriction is to preserve work incentives in the Federal program.

The limit, however, has created a serious problem for a number of important states which currently pay relatively high benefits and which have benefit reduction rates in excess of 52 percent for families or individuals expected to work under our proposal. These States do not wish to reduce existing benefit levels, but cannot afford to maintain those levels in supplements with only a 52% benefit reduction rate (because the break-even point would be so high). Accordingly, they have strongly urged the Subcommittee to ease the 52% restriction. Many members of the Subcommittee, including Chairman Corman, are sympathetic to the States on this point, and we are getting significant pressure from the States -- our strongest allies -- to relax our position on this point.

3. Retrospective Accounting and Length of Accountable Period: The six-month retrospective accountable period is unpopular with many liberal members of the Subcommittee. We believe that we will be successful in retaining the principle of retrospective as opposed to prospective accounting. But there will be substantial pressure to reduce the length of the accountable period. Such a reduction will raise program costs (by almost \$1 billion if the period is three months and by about \$1.5 billion if the period is one month).

4. Reduced Benefits During Job Search: Many of the States and liberal groups are unhappy with the reduced benefit during the eight-week job search period (\$2300 as opposed to \$4200) for families with children. The liberals think it unduly harsh, and the States fear that it will increase pressures for emergency needs payments.

5. Indexing of Benefits: While the Administration is committed to the proposition that the real value of benefits should be maintained -- indeed improved -- over time, the bill, in accordance with your decision last July, contains no provision for automatic indexing of benefits. SSI and Food Stamps are currently indexed, and there will be substantial sentiment in the Subcommittee to index benefits under the new program.

6. Higher benefits/Mandatory State Supplements: Some liberals feel that the benefit levels proposed are too low, and that the incentives to state supplementation (through Federal subsidies) may not be sufficient to assure that

States will establish or maintain adequate benefits. Their concern may be reflected in pressure for either increased Federal benefits or mandatory State supplements.

7. The EITC: Some members believe that the EITC should not be expanded into the \$10,000 - \$20,000 income range, and may therefore oppose our proposal to extend the EITC into higher ranges of earnings.

8. Administrative Role for States: The Administration proposal gives States the option to elect to maintain administration of the intake and eligibility determination functions, with Federal computation and payment of benefits. The States are pressing strongly to administer the program completely -- subject to Federal oversight and with a central Federal data bank.

B. The Jobs Program

1. Wage Rates: Organized labor and some welfare recipient groups strongly oppose paying the minimum rather than the prevailing wage for the new Public Service jobs. Recipient groups fear that minimum wage jobs will be dead-end jobs. Labor unions worry that the jobs will be similar or identical to jobs now being performed by union members at higher wages, and that those union wages will be depressed by the new PSE jobs.

2. The Entitlement Approach: Some liberals on the Subcommittee want all principal earners eligible for a PSE job (only principal earners in families with children) to be entitled to one. This would require an open-ended authorization for the creation of as many jobs as necessary.

3. Expanded Eligibility for PSE Jobs: Some Subcommittee liberals would like to expand eligibility for PSE jobs to include single individuals and childless couples as well as principal earners in families with children. We think most Subcommittee members realize that this involves wholly intolerable costs -- in the range of up to \$20 billion.

4. A Priority System for PSE Jobs: Fearing that the Department of Labor may not be able to create enough PSE jobs for those who are eligible, a number of Subcommittee

members -- including Chairman Corman -- have indicated that they believe the bill should include some priority system to insure that if there are not enough jobs to go around the available jobs go to those who are most needy.

5. Phase-Out of CETA Title VI: As already noted above, there is a great deal of uncertainty about the future of CETA Title VI. Many Subcommittee members believe that economic conditions dictate the continuation of the counter-cyclical program, perhaps even after welfare reform becomes effective. The issues involved here include the timing of any phase-out of the Title VI program, whether there should be a program to phase-in the new special PSE jobs, and what wage rates should be paid in any transitional period.

6. Day Care: A number of Subcommittee members are concerned that our proposal does not have additional day care slots for heads of families who are expected to work. These members will be very resistant to work requirements without what they consider to be adequate provision of day care.

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The President
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As noted, only with strong Presidential leadership will we be able to get welfare reform through Congress next year.

9:45 A.M.

THE WHITE HOUSE

WASHINGTON

November 30, 1977

MEETING WITH SPECIAL WELFARE REFORM SUBCOMMITTEE

Thursday, December 1, 1977

9:45 a.m. (30 minutes)

Cabinet Room/308 OEOB

From: Frank Moore *F.m.*
Stu Eizenstat
Secretary Califano

I. PURPOSE

To discuss the upcoming markup of the Administration's welfare reform proposal.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: See Addendum A for background details.

As you know, the welfare reform issue is a very emotional and controversial one. Rep. Jim Corman would like you to do the following in your meeting with the Subcommittee.

- 1--Emphasize the need for a strong bi-partisan effort for the bill.
- 2--Stress the urgency and priority of the bill in terms of welfare as one of the most important domestic issues.
- 3--Urge the importance of sticking to a time schedule as proposed by the Subcommittee and Speaker in order to get a bill passed by the House early next year.
- 4--Stress the urgency of quick action because of the financial drain on local governments.
- 5--Emphasize the need to consolidate, simplify, and rationalize our fragmented patchwork welfare system.

As you know, Frank Moore is talking with you about priority items for the next session of Congress. Welfare reform has been classified as a Priority 3 item, which is Secretarial (Cabinet) priority. Rep. Corman would like you to push hard for action out of this session of Congress and wants you to make that very clear to the Members present.

Participants: See attached list.

Press Plan: White House Photographer.

Participants
December 1, 1977

The President
Secretary Ray Marshall/Labor
Secretary Joe Califano/HEW
Nik Edes-Deputy Under Secretary of Labor for Legislation
Stu Eizenstat
Frank Moore
Valerie Pinson
Bill Cable
Jack Watson
Frank Raines
Ken Bowler-Subcommittee counsel
Dick Warden

MEMBERS: SPECIAL WELFARE REFORM SUBCOMMITTEE

Democrats

Jim Corman-Chairman
Carl Perkins
Tom Foley
Fred Richmond
Jim Burke
Bill Clay
Rick Nolan
Daniel Akaka
Joe LeFante
Jim Guy Tucker
Ted Weiss
Charlie Rangel
Pete Stark
Bill Brodhead
Joe Fisher
Matt McHugh
Andy Jacobs
Martha Keys

Republicans

Guy Vander Jagt
Bill Wampler
Ronald Sarasin
Skip Bafalis
Bill Ketchum
Bill Goodling
Bill Gradison

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
James Corman (D-21-Calif)	Major City: Hollywood 96% central city; 4% suburban 55% white collar; 34% blue collar	1960	66.5	#4-Small Business #6-Ways and Means Chairman-Public Assistance & Unemployment Compensation Subcommittee Chairman-Special Welfare Reform Subcommittee	96.7
Carl Perkins (D-7-Kentucky)	Major City: Ashland 6% central city; 5% suburban 34% white collar; 47% blue collar	1948	73.2	Chairman-Education and Labor	78.8
Fred Richmond (D-14-N.Y.)	Major City: Brooklyn 100% central city 47% white collar; 37% blue collar	1974	85	#11-Agriculture Chairman-Domestic Marketing, Consumer Relations, and Nutrition Subcommittee. #13-Small Business	93.5
James Burke (D-11-Mass)	Major City: Boston 49% central city; 51% suburban 54% white collar; 33% blue collar	1958	69	#2-Ways and Means Chairman-Social Security Subcommittee	73.9
Richard Nolan (D-6-Minn)	Major City: Minneapolis 87% central city; 13% suburban 55% white collar; 30% blue collar	1974	59.8	#12-Agriculture Chairman-Family Farms, Rural Development, and Special Studies Subcommittee #16-Small Business	87.9
Daniel Akaka (D-2-Hawaii)	Major Area: all of Hawaii except Honolulu 0% central city; 66% suburban 44% white collar; 35% blue collar	1976	79.5	#29-Agriculture #28-Merchant Marine & Fisheries	93.9
Joseph LeFante (D-14-N.J.)	Major City: Jersey City 55% central city; 45% suburban 45% white collar; 43% blue collar	1976	49.9	#21-Education and Labor #21-Small Business	70.6
Jim Guy Tucker (D-2-Ark)	Major City: Little Rock 40% central city; 27% suburban 46% white collar; 37% blue collar	1976	86.4	#24-Ways and Means	81.8

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
Ted Weiss (D-20-N.Y.)	Major City: Manhattan 100% central city 64% white collar; 22% blue collar	1976	83.2	#22-Education and Labor #29-Government Operations	88.2
Charles Rangel (D-19-N.Y.)	Major City: Harlem 100% central city 49% white collar; 27% blue collar	1970	97	#11-Ways and Means	85.3
Pete Stark (D-9-Calif)	Major City: Oakland 28% central city; 72% suburban 52% white collar; 35% blue collar	1972	70.8	#9-District of Columbia #13-Ways and Means	87.5
Bill Brodhead (D-17-Mich)	Major City: Detroit 56% central city; 44% suburban 58% white collar; 31% blue collar	1974	64.3	#21-Ways and Means	78.8
Joe Fisher (D-10-Va)	Major Area: D.C. suburbs 100% suburban 75% white collar; 15% blue collar	1974	54.7	#16-Budget #18-Ways and Means	79.4
Matt McHugh (D-27-N.Y.)	Major City: Binghamton 14% central city; 44% suburban 51% white collar; 32% blue collar	1974	66.6	#19-Agriculture #23-Interior and Insular	92.9
Bill Clay (D-1-Mo)	Major City: St. Louis 66% central city; 34% suburban 46% white collar; 33% blue collar	1968	65.5	#9-Education and Labor #7-Post Office & Civil Service Chairman-Civil Service Subcommittee	84.6
Guy Vander Jagt (R-9-Mich)	Major Area: eastern shore of Lake Michigan 13% central city; 48% suburban 37% white collar; 46% blue collar	1966	70	#4-Ways and Means Ranking Rep-Public Assistance and Unemployment Compensation Subcommittee	17.2
Bill Wampler (R-9-Va)	Major City: Bristol 0% central city; 0% suburban 32% white collar; 52% blue collar	1966	57.3	#1-Agriculture (Ranking Republican)	13.3
Ronald Sarasin (R-5-Conn)	Major City: Danbury 42% central city; 39% suburban 51% white collar; 40% blue collar	1972	66.5	#4-Education and Labor	23.5

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
Skip Bafalis (R-10-Fla)	Major City: Sarasota 6% suburban 43% white collar; 33% blue collar	1972	66.3	#9-Ways and Means	20
Bill Ketchum (R-18-Calif)	Major City: Bakersfield 15% central city; 77% suburban 44% white collar; 32% blue collar	1972	64.2	#10-Ways and Means	17.6
Bill Goodling (R-19-Pa)	Major City: York 11% central city; 89% suburban 44% white collar; 43% blue collar	1974	70.6	#8-Education and Labor #11-International Relations	23.3
Bill Gradison (R-1-Ohio)	Major City: Cincinnati 48% central city; 52% suburban 53% white collar; 33% blue collar	1974	64.8	#12-Ways and Means	31.3
Tom Foley (D-5-Wash)	Major City: Spokane 35% central city; 24% suburban 49% white collar; 28% blue collar	1964	58.0	Chairman-Agriculture	75.8

9:45 AM

THE WHITE HOUSE

WASHINGTON

November 30, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Sh*
FRANK RAINES

SUBJECT: Talking Points for Meeting with
the Special Welfare Subcommittee

Secretary Califano has provided you with a detailed memorandum providing background information on the Special Welfare Reform Subcommittee and a list of the issues in contention. He has done an excellent job on these matters and the memo should be of great assistance to you in preparing for the questions the members are likely to ask.

The members will be vitally interested in your views on three issues:

- (1) the priority you give to welfare reform
- (2) the relationship of the jobs program to the CETA countercyclical jobs
- (3) the need for comprehensive reform rather than incremental reform

I believe that it is very important that you provide clear guidance to the members on these issues in your opening remarks. I suggest you make the following points:

- The welfare reform program is an important priority for next year. Passage of the bill next year will require early action by the subcommittee, the three parent committees and the House. You appreciate the hard work the members have put in so far and their dedication to producing a welfare reform bill. While the subject is complex and difficult,

the reform of welfare will be seen by the American people as a major achievement by the Congress and the Administration.

- The jobs portion of the Program for Better Jobs and Income is not meant to replace the countercyclical jobs under CETA; if unemployment should be unacceptably high we plan to maintain the countercyclical program in Title VI as a vehicle for providing countercyclical employment when economic conditions warrant. The FY 1979 budget which I will announce in January will contain our proposal for the continuation of the Title VI program. I don't think you will be disappointed by it. The jobs included as part of welfare reform are meant to deal with the problem of structural unemployment among poor people. Even in good economic times there will be a need to provide subsidized jobs to this portion of the workforce, and we believe that in FY 1981 a countercyclical program in addition will not in fact be needed - although standby authority will be there.
- The welfare reform bill must include comprehensive reform. There must be a jobs program and an income program -- the two are integrally related. I believe that it is better to provide income assistance to families in the form of a job than through cash alone. The cash system should be used to provide basic support to those who cannot work and supplemental support to those who work at low wages. The cash assistance program must include all poor people and consolidate existing programs including food stamps. Anything less than comprehensive reform will not meet the need and will be seen by the people as an inadequate response to a pressing problem.
- You can count on my support in your work on this bill. Secretary Califano and Secretary Marshall are available to you to provide whatever assistance they can. I and my staff are also willing to help. I realize that we are placing a great burden on your shoulders but I am sure that you will be able to respond to the challenge.

You should be aware that OMB is recommending the maintenance of the 725,000 public service jobs level in the FY 1979 budget -- the level which we will have built up to before the end of FY 1978. While the Department of Labor is asking for yet a further build up, I think it will help allay the concerns of the committee to indicate that in the next fiscal year we do not intend to cut back on our commitment to counter-cyclical public service employment. You might also indicate that we are working on an additional jobs incentive which would provide training subsidies to private industry to hire the hard core unemployed.

One key concern that the Committee will have is the fact that the CETA public service jobs are at the "prevailing wage", while our proposed 1.4 million welfare jobs are minimum wage jobs. This is not meant to denigrate the importance of these jobs but to insure that there will be sufficient funds to employ the people on welfare.

You might also mention that if the states supplement the cash benefits portion of the welfare program (which we provide heavy incentives for them to do) they must also supplement the minimum wage, which will have the effect of increasing the level of income.

One additional question you may get regards the cost estimates. The article in today's Washington Post indicates that the Congressional Budget Office (CBO) believes that the Administration's plan will cost nearly \$10 billion more than HEW's public estimate. While HEW is attempting to work out these differences with CBO, at least some of the differences are due to the following: different estimates of the overhead costs of the jobs program; the number of jobs which will have to be created to serve the welfare population; the fact that the CBO measured the cost in FY 1982 dollars while all HEW's estimates are based on FY 1978 dollars; and the fact that CBO has not included "offsets" such as expected reductions in CETA Title VI, unemployment compensation, and other items. CBO feels these items should not be included because they would decline anyway as unemployment decreases.

I attach a brief summary of our initial proposal.

MAY 2, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

Shortly after becoming President, I announced that a comprehensive reform of the nation's welfare system would be one of our first priorities. Under the general leadership of HEW Secretary Califano, we have worked with other private and government agencies during the last three months to assess the present welfare system and to propose improvements to it. It is worse than we thought.

The most important unanimous conclusion is that the present welfare programs should be scrapped and a totally new system implemented.

This conclusion in no way is meant to disparage the great value of the separate and individual programs enacted by the Congress over the past decade and a half. These include food stamps for all low income persons, the supplemental security income floor for our aged and disabled, work incentives for welfare families with children, increased housing assistance, tax credits, unemployment insurance extensions, enlarged jobs programs, and the indexing of social security payments to counter the biggest enemy of the poor--inflation.

This conclusion is only to say that these many separate programs, taken together, still do not constitute a rational, coherent system that is adequate and fair for all the poor. They are still overly wasteful, capricious, and subject to fraud. They violate many desirable and necessary principles. We have established the following goals:

1. No higher initial cost than the present systems;
2. Under this system every family with children and a member able to work should have access to a job;
3. Incentives should always encourage full-time and part-time private sector employment;
4. Public training and employment programs should be provided when private employment is unavailable;
5. A family should have more income if it works than if it does not;
6. Incentives should be designed to keep families together;
7. Earned income tax credits should be continued to help the working poor;
8. A decent income should be provided also for those who cannot work or earn adequate income, with federal benefits consolidated into a simple cash payment, varying in amount only to accommodate differences in costs of living from one area to another;
9. The programs should be simpler and easier to administer;
10. There should be incentives to be honest and to eliminate fraud;

MORE

SUBJECT:

Talking Points on Welfare
Reform

-- The Program for Better Jobs and Income will provide cash benefits to 32 million people out of 36 million eligible. Under current programs only 30 million of 40 million eligible receive benefits.

-- The program attempts to assure 1.4 million jobs for low income families which we estimate will provide a job opportunity for every poor family with children.

-- Every family with a working adult would have a total income above the poverty line. A family of four with a worker in an unsubsidized job at the minimum wage would have a total income 20% above the poverty line and a worker taking a subsidized job would have an income 13% above the poverty line.

-- The program improves work incentives insuring that those that work have higher income than those who do not.

-- Incentives for family break-ups are reduced by providing jobs permitting a family head to support the family and by providing income assistance to intact families.

-- Benefits are improved for millions of people. The basic benefit of \$4200 for single parent families is higher than the AFDC benefit in 14 states. Most two parent families currently only qualify for a food stamp benefit of \$1992 if they have no other income. Under the new program they qualify for a job paying \$5512 a year plus a work benefit of \$1444 for a total income of \$6956.

-- The program will reduce the costs of states and local governments by \$2.1 billion in the first year and more in future years.

- The administration of the program will be simpler. This will help insure that more of those in need receive of fraud and error which tend to undermine public confidence in programs which assist the poor.

-- The Earned Income Tax Credit integrates the income assistance system with the tax system and provides tax relief to lower and middle income workers who are struggling to keep out of poverty. The total tax reduction is \$4.9 billion.

-- The program will significantly expand support for day care for single parent families. These families will be permitted to deduct from earnings up to \$150 per month in day care expenses for each of two children. This provision will permit many single parent family heads to work and represents an investment in the program of \$600 million.

-- To assist the states in helping those with emergency needs, the program includes a new \$600 million block grant.

-- In order to prevent some current recipients from being disadvantaged under the new program the states are required to maintain up to 90% of their current welfare expenditures to help hold harmless anyone who might have received a higher benefit under the old programs.

11. The unpredictable and growing financial burden on state and local governments should be reduced as rapidly as federal resources permit; and
12. Local administration of public job programs should be emphasized.

We believe these principles and goals can be met.

There will be a heavy emphasis on jobs, simplicity of administration financial incentive to work, adequate assistance for those who cannot work, equitable benefits for all needy American families, and close cooperation between private groups and officials at all levels of government.

The more jobs that are available, the less cash supplement we will need.

We will work closely with Congress and with state, local and community leaders, and will have legislative proposals completed by the first week in August. Consultations with each of the fifty states are necessary. If the new legislation can be adopted early in 1978, an additional three years will be required to implement the program. The extremely complicated changes must be made carefully and responsibly.

Scheduled Congressional hearings will permit the nature of the tasks ahead to be explained and debated.

In the meantime, the administration's proposed reforms for the food stamp program should be enacted.

THE WHITE HOUSE
WASHINGTON

December 1, 1977

Hugh Carter

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The First Lady

RE: WHITE HOUSE SOCIAL AIDES

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
✓	H. CARTER
	CLOUGH
	FALLOWS
✓	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.


THE WHITE HOUSE

WASHINGTON

November 30, 1977

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER 

SUBJECT: White House Social Aides

There are presently 36 Military Social Aides who voluntarily provide their services to the White House without additional compensation from their service organization, and expend their own funds for uniforms and miscellaneous expenditures. Their service to the White House is in addition to the normal service duties. The average turnover rate is approximately two Aides per month, and 15 have left during your Administration. Previous Administrations have utilized various procedures to express appreciation to the Social Aides. The following are some of the procedures that have been followed in the past and are recommended to you for Aides who have departed and will depart during your Administration.

a. Official Photo of the White House Social Aides

Traditionally at Christmas time, the President and First Lady pose for an official color photo with the Aides. This is usually done in conjunction with a State Dinner in the East Room. A copy of the photo would be provided to each Aide.

Approve ✓

Disapprove _____

b. Mementoes for Departing Social Aides

- (1) After serving at the White House for one year, a departing Aide would receive:
 - (a) A thank you letter signed by the President.
 - (b) A letter signed by the Director of the Military Office forwarding an autographed photo of the President.

- (c) A Presidential tie tack for male Aides.
A Presidential ladies pin for female
Aides. These items to be sent by the
Gift Unit upon receipt of a memo from
the Military Office.

Approve ✓

Disapprove _____

- (2) After serving at the White House less than one
year, a departing Social Aide would receive

(a) A letter signed by the Director of the
Military Office.

(b) An autographed photo of the President.

Approve ✓

Disapprove _____

Electrostatic Copy Made
for Preservation Purposes

THE PRESIDENT HAS SEEN.

9:00 A.M.

THE WHITE HOUSE

WASHINGTON

November 30, 1977

MEETING WITH REP. RALPH METCALFE (D-ILL-1)

Thursday, December 1, 1977

9:00 a.m. (15 minutes)

The Oval Office

From: Frank Moore *F.M./pm*

I. PURPOSE

To discuss urban policy, unemployment and the Panama Canal treaties with Rep. Metcalfe.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Rep. Metcalfe is most interested in the work of the Urban Regional Policy Group Task Force. He feels that it should determine the needs of the inner city, what Federal programs mandated by Congress exist to respond to those needs and whether these programs are administered effectively and in accordance with Congressional intent.

In relation to urban needs, Metcalfe is particularly concerned about the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) under the medicaid program. This program provides for periodic health examinations and follow-up treatment for those under the age of 21 who are eligible for Medicaid. According to a study conducted by Rep. John Moss, of the 13 million children eligible for comprehensive health care under this program, only 1.7 million were served in 1976. According to EPSDT, however, although there are 13 million children eligible, only 8 million were to be screened that year (older children require screening every two to three years) and over 2 million were screened.

Illinois calls its EPSDT program Medichex. The State of Illinois has been particularly weak in its half of the commitment to Medichex which may explain Metcalfe's assessment of the program.

Metcalfe is also most interested in the Child Health Assessment Program, (CHAP), under EPSDT, which is part of the Hospital Cost Containment Legislation sent to Congress on April 25. Interestingly enough Illinois will be one of the states hardest hit by the program. Most of the larger states have a greater number of children eligible for the EPSDT program than Illinois, and if CHAPS becomes law, the State of Illinois will have to increase its funding to cover those who will become eligible.

Rep. Paul Rogers' Subcommittee on Health and the Environment (Interstate and Foreign Commerce Committee) has completed mark-up on the Hospital Cost Containment Bill and has forwarded it to the full committee where

it awaits action. Rep. Dan Rostenkowski's Subcommittee on Health (Ways and Means Committee) has held several mark-up sessions, but has postponed action until next session.

As another component of the inner city problem, Rep. Metcalfe is concerned about unemployment. Metcalfe suggests that an employment impact statement should be prepared to accompany any proposed action of the Federal government to determine what effect such action will have on the unemployment rate. He further suggests that to address urban problems, the urban policy task force should include the following: 1) a program geared towards the high number of unemployed, inexperienced Blacks in our inner cities, particularly the youth; 2) improvement in the quality of inner city schools; 3) emphasis on restoration of existing housing and stimulation of construction of new housing - a survey of the City of Chicago indicates that 14 lower income neighborhoods have lost 22,694 housing units between 1970 and 1976; 4) efforts to attract and increase the number of business firms in the inner cities; 5) heavy emphasis in all programs upon citizen participation in the setting of priorities and in the allocation of Federal resources for the solution of urban problems; 6) an increase in the number of day care centers in order to allow more working mothers to make arrangements for the care and development of their children; and 7) an increased emphasis on the establishment and improvement of already existing health care facilities for inner city residents.

The third matter which concerns Metcalfe as Chairman of the Panama Canal Subcommittee (Merchant Marine and Fisheries Committee), is the ratification of the Panama Canal treaties. Originally Metcalfe expressed concern that under Article IV, Section 3, Clause 2 of the Constitution, the House must be involved in any transfer of lands and waters. As a result of extensive briefings by the State Department and discussions with the House leadership, (particularly with Rep. Jim Wright), the situation was worked out. Metcalfe, however, is still interested in House involvement with the treaties. He is particularly interested in the economic aspects, i.e. the cost of the uses of the Canal to the consumer because of increased tolls and payments to Panama. Metcalfe's Subcommittee will be holding hearings Wednesday and Thursday of this week to discuss this topic.

Ralph Metcalfe was first elected in 1970 and received 92.3% of the vote in 1976. In addition to being Chairman of the Panama Canal Subcommittee, he is #12 on the Interstate and Foreign Commerce Committee and #16 on the Post Office and Civil Service Committee. His district is 100% central city. Metcalfe received a White House rating (for support of Administration sponsored bills) of 83.3%.

Participants: The President, Frank Moore, Valerie Pinson.

Press Plan: White House photographer only.

III. TALKING POINTS

1. You might want to seek Rep. Metcalfe's active support of the Hospital Cost Containment legislation.

THE WHITE HOUSE

WASHINGTON

November 30, 1977

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Thursday, December 1, 1977

9:00 a.m. (15 minutes)

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Participants: The President, Frank Moore, Valerie Pinson.

Press Plan: White House photographer only.

III. TALKING POINTS

1. You might want to seek Rep. Metcalfe's active support of the Hospital Cost Containment legislation.

9:30 AM
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

November 30, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*
SUBJECT: YOUR MEETING WITH SECRETARY PAT HARRIS
Thursday, December 1, 1977 - Oval Office
9:20 a.m. for ten minutes

Pat Harris requested a brief meeting with you simply to clarify a couple of points regarding the HUD budget submission. She does not intend to use the few minutes that she has with you to discuss the budget, per se, or to debate HUD's differences with OMB. Pat's main concern is that you understand that she did not ignore the planning ceiling on her budget authority for FY 79, but rather that she submitted a series of proposals at various levels of expenditure on the understanding that "the line" could be drawn at the planning ceiling or at any other level. Her intention was to outline a series of program options and funding levels from which you could choose.

I think Pat will also want to discuss very briefly with you some of her thoughts and perceptions about the political implications of the HUD budget decisions. She will be prepared, for example, to give you some comparisons between Nixon and Ford program levels and the program levels we are now considering for the FY 79 HUD budget.

Pat will not be asking for any decisions from you tomorrow. She simply wanted to spend a few minutes privately with you to give you her thoughts on the foregoing subjects.

Electrostatic Copy Made
for Preservation Purposes

**THE WHITE HOUSE
WASHINGTON**

December 1, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for your information. A copy has been given to Bob Linder for release.

Rick Hutcheson

**cc: The Vice President
Jack Watson
Jim McIntyre
Frank Press
Bob Linder**

**RE: ANNOUNCEMENT OF DAM SAFETY INSPECTION
PROGRAM**

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
/		LANCE <i>jm</i>
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
/	LINDER - <i>release</i>
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
/	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
KATHY FLETCHER

Stu

SUBJECT: Announcement of Dam Safety Inspection
Program

Today at your press conference you announced the initiation of a dam safety inspection program and stated that guidelines for the program would be issued within a few days.

Attached is the proposed text of an announcement of the program and a more detailed background sheet for public release. I would recommend that this be issued tomorrow. Jim Fallows has reviewed and revised this statement.

Both documents have been approved by all of the concerned agencies (Army, Interior, Agriculture, Office of Management and Budget, Office of Science and Technology Policy). The scope of the program is outlined, and the guidelines for state involvement are described.

DECISION

Approve announcement and background paper

☒

Modify announcement or background paper

☐

Other

☐

JC

Attachment

**Electrostatic Copy Made
for Preservation Purposes**

D R A F T

PRESIDENTIAL ANNOUNCEMENT ON DAM SAFETY

In my press conference yesterday, I announced that a safety inspection program for non-federal dams would begin immediately, to help prevent further tragedies like that at Toccoa Falls.

I have directed the Secretary of the Army to commence at once the inspection of more than 9,000 non-federal dams that present a high potential for loss of life and property if they fail. The inspection program, to be administered by the Corps of Engineers, will take approximately four years. We will make \$15 million available for the program during this fiscal year, and hope to be able to inspect 1,800 non-federal dams during that year. It is impossible to predict the total cost of the program precisely, but we tentatively estimate it to be \$70 million.

I have directed the Secretaries of Interior and Agriculture to cooperate with the Secretary of the Army in developing technical criteria and guidelines for inspections and assisting the states. This dam inspection program cannot be a substitute for effective dam safety programs at the state level; it is intended to stimulate the states to action. The federal government will use this

initiative to establish a partnership with the states in developing state programs. The federal program will be limited to initial inspections only, will involve no assumption of federal liability, and will be completed within four years.

Because the inspection program will not resolve specific dam safety problems and will not relieve the states or owners of these structures of their responsibilities for public safety, we will ask for Governors to agree, prior to these inspections, to take certain steps toward establishing an adequate state program for dam safety. States that agree to take these steps will be given priority for federal inspections and technical assistance. We recognize that some states already have excellent dam safety programs.

I have also asked the Secretary of the Army, in cooperation with the Secretaries of Interior and Agriculture and the Science Adviser to the President, to report back to me within one year on the status of the

inspection effort, the development of state programs, and any needed additional actions to assure national dam safety.

In summary,

The federal government will:

1. Begin immediately to work with all of the states to implement or improve dam safety programs;
2. Update the National Dam Inventory;
3. Fund and administer the inspection of all the approximately 9,000 non-federal dams in the high hazard potential category by virtue of their location;
4. Fund and administer the inspection of intermediate hazard category dams on federal property; and
5. Fund and administer the inspection of a limited number of other non-federal dams determined on a case-by-case basis, after consultation with state officials, to be in a condition presenting an immediate threat to public safety.

The states will be asked to cooperate fully, by:

1. Assuring implementation of an effective dam safety program;

2. Assisting in implementing the federally-financed dam inspections including participation in state personnel training, and performing actual dam inspections where criteria are met; and
3. Assuring that they will use available means to take remedial actions when unsafe dams are found.

* * * * *

Background: Announcement of
Federal Program for Inspection of Non-Federal Dams
Under Authority of P.L. 92-367

- I. Background. A series of dam failures in the early 1970's focused the attention of the public and the federal government on the human and property losses resultant from dam failures. The National Dam Inspection Act (P.L. 92-367) of 1972 provided for a national inventory and inspection program by the Corps of Engineers. The national inventory included approximately 49,000 dams, most of which were privately-owned. Of these approximately 9,000 were identified as high hazard, meaning that in the event of a failure, there would be substantial loss of life and property. To date very few of these dams have been inspected to determine their safety.
- II. Scope. The program will provide for the inspection of the following:
- a. All dams in the high hazard potential category, a classification based upon location rather than structural soundness (estimated to be about 9,000).
 - b. Dams in the intermediate hazard category located on federal lands.
 - c. A limited number of dams determined on a case-by-case basis after consultation with state officials to be in a condition presenting an immediate threat to public safety.

Note: Inspection will not be made of dams which have been inspected as part of a state agency dam safety program which the Governor of the state requests be excluded from inspection.

III. Objectives.

The objectives of the federally-financed dam inspection program are to:

- a. Provide technical inspection and evaluation of non-federal dams to identify actual high hazard conditions and to permit correction in a timely manner by non-federal interests.

- b. Provide data for better definition of a viable national dam safety program, including the federal role.
- c. Encourage and prepare the states to initiate quickly effective dam safety programs for non-federal dams.

IV. Fiscal Year 1978 Activities.

The \$15,000,000 appropriations for FY1978 will be used to:

- a. Initiate the updating and completion of the national dam inventory to provide an adequate basis for planning and operation of an effective dam safety program. (Estimated FY1978 Cost - \$1,200,000. Estimated Total Cost over 3-year period - \$3,600,000.)
- b. Initiate inspections of non-federal dams with high hazard potential, and of a representative sample of intermediate hazard non-federal dams on federal lands.^{1/}
- c. The first year effort would be designed to provide a statistically well defined base for evaluation of the national dam safety problem and to make needed modifications in the program for FY1979 and subsequent years.

V. Responsibilities for Inspection Program.

The Corps of Engineers will have lead program responsibility. The Departments of Interior and Agriculture will cooperate in the establishment of inspection criteria, assistance to the states and in follow-up recommendations. Whenever practicable and acceptable

^{1/} In addition to these inspections, there may be a limited number of inspections of other non-federal dams determined on a case-by-case basis, after consultation with state officials, to be in a condition presenting a threat to public safety.

to the state government, an appropriate state agency will be encouraged to undertake management and execution of the program within the state. By such means state personnel will be trained and the state encouraged to adopt an effective program for regulation of dams within its boundaries.

VI. Principles for Implementation.

- a. The owner has the basic legal responsibilities for potential hazards created by a dam. The state has the basic responsibilities for protection of life and property of its citizens. The federal program for inspection of dams will not modify these basic responsibilities.
- b. Priority in the federal inspection effort will be given to states which agree to cooperate in the inspection program. Recognizing the great diversity in current legislative authorities and resources for dam safety activities available to the various state governments, the following commitments on the part of the state would give priority to initiation of the federal inspection program:
 1. Assure that they will make a determined effort during 1978 to implement effectively any existing state legislation related to dam safety.
 2. Assure that they will seek actively legislation to augment the existing legislation if needed to provide an effective state program.
 3. Assist in implementing the federally-funded inspection program in a manner that will provide training for state personnel.
 4. Assure that they will use all available means to take remedial measures expeditiously in cases where hazardous conditions are found to be present.

5. Recognize that the federal inspection program does not create any liability in the United States for actions associated with these inspections and does not relieve an owner or operator of a dam of the legal duties, obligations, or liabilities to the ownership or operation of the dam.
 - c. Priority for federal funding for dam inspection in a state beyond FY1978 will be dependent on an affirmative showing by the state government that a comprehensive and effective program for inspection of dam construction and operation in the interest of public safety will be adopted.
- VII. Resources. The initial \$15,000,000 appropriation for FY1978 will enable a significant start on the inspection of high hazard potential dams in each state. The work in FY1978 will provide a basis for more precise definition of the effort and cost to complete the inspection program. Such a reassessment of the program is scheduled for July 1, 1978.

The best estimate of total federal cost of the program available at the present time is:

Updating the dam inventory	\$ 3,600,000
Inspecting dams	67,000,000 ^{1/}
TOTAL	\$ 70,600,000

VIII. Priority of Effort.

The Governor of each state will participate in the selection of the dams to be inspected and will receive notification of any hazardous conditions found during an inspection. Efforts will be concentrated initially on those dams considered to offer the greatest potential hazards to public safety.

1/ Based on cost of initial inspections with federally-funded, more detailed investigations limited to emergency situations only. Cost estimate is subject to July 1, 1978 review.

1:15 P.M.

**Electrostatic Copy Made
for Preservation Purposes**

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

November 30, 1977

MEETING WITH SSUD TOUR OFFICERS

Thursday, December 1, 1977

1:15 p.m. (10 minutes)

Blue Room

From: Nancy Willing

I. PURPOSE

To meet the tour officers and recognize the job that they perform as representatives of President and Mrs. Carter.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The tour officers have greeted 1,216,545 visitors in 1977, welcoming them to the White House on behalf of President and Mrs. Carter. They are the only members of the White House staff most people see during their tour. Many of the questions tourists ask concern the First Family, especially where they are at that particular moment, or whether the officer has met the President. The SSUD officers volunteer for tour duty, taking a great deal of time and research to study the history of the White House, the furnishings, and the people who have occupied it. Accompanying them will be Lt. Jim Barnes, the superior officer of the tour division.

B. Participants: Nancy Willing, Lt. Jim Barnes, and tour officers (list attached).

C. Press Plan: White House photographer.

III. TALKING POINTS

Nine of the tour officers are taking classes in sign language, and have already started giving tours for the deaf in sign language.

A general thank you for the job that they perform; in many cases going out of their way for a special tour, and always making visitors feel welcome to the White House.

THE WHITE HOUSE

WASHINGTON

SSUD Officers qualified for tour duty, assigned on a rotating basis; dates signify first tour assignment.

D. C. Adams	5-1-77
D. J. Adkins	7-2-77
D. R. Aliff	6-10-77
J. W. Allen	7-25-73
J. J. Chicowski	4-24-77
R. D. DePriest	6-17-77
S. S. Eccher	2-21-73
S. A. Fannin	2-1-72
R. Gawthrop	4-24-77
T. G. Giffin	8-7-77
R. A. Hogan	3-1-77
G. F. Hughes	10-29-77
L. G. Johnston	3-28-76
G. J. Kutschback	10-8-77
J. R. Lowe	9-12-75
E. Luber	4-8-77
J. Luensman	4-17-77
J. Macpherson	10-29-77
L. G. Mathewson	4-14-71
G. Morgenthaler	3-28-76
A. G. Murray	6-23-77
D. L. Myers	7-27-75
C. P. O'Donnell	1-21-71
S. E. Poston	4-17-77
G. S. Ridder	3-28-77
W. Shaw	10-8-77
G. A. Thompson	8-7-77
T. A. Thompson	11-30-75
G. S. Villareal	1-28-77
E. W. Warzywak	7-27-75
W. M. Welch	4-10-76
J. Woodard	6-17-77
W. R. Worley	in training

THE WHITE HOUSE
WASHINGTON
December 1, 1977

Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder
Jim McIntyre

E.O.'S -- CONFORMING THE CIA AND
CIVIL SERVICE RETIREMENT AND DISABILITY
SYSTEMS: RELATING TO THE TRANSFER OF
CERTAIN ADVISORY COMMITTEE FUNCTIONS:
RELATING TO CERTAIN POSITIONS IN LEVEL
IV OF THE EXECUTIVE SCHEDULE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
/	LIPSHUTZ
	MOORE
	POWELL
	WATSON
/	LANCE J W
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
/	LINDER - scribble
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

12/1/77

Mr. President:

OMB, DoJ, and the appropriate agencies recommend that you sign the Executive Orders discussed in the attached memo from Bob Lipshutz.

Eizenstat and Brzezinski concur. No comment from Presidential Personnel.

THREE SIGNATURES REQUESTED

Rick

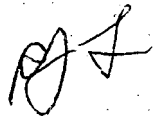
THE WHITE HOUSE

WASHINGTON

November 28, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ 

RE:

Proposed Executive Orders Entitled:

- (1) Conforming the Central Intelligence Agency and Civil Service Retirement and Disability Systems;
- (2) Relating to the Transfer of Certain Advisory Committee Functions;
- (3) Relating to Certain Positions in Level IV of the Executive Schedule

1. The President has authority to issue an Executive Order extending to the Central Intelligence Agency those Civil Service retirement provisions enacted after January 1, 1975. Such extensions to the CIA system may be made retroactive. The first attached Order extends to the CIA retirement system the following provisions of the Civil Service retirement law:

(1) authorization for individuals to make allotments or assignments from their annuity for such purposes as the Civil Service Commission deems appropriate (enacted December 1975);

(2) the time limits for applying for an annuity (enacted December 1975);

(3) the requirement that sums deducted from an annuity because the annuitant assumes an appointive or elective position shall be deposited in the Treasury to the credit of the retirement fund (enacted September 1976).

Section 2 of the Order makes these statutory provisions effective for the CIA retroactive to the dates of enactment.

2. The second proposed Order implements Section 5F of Reorganization Plan No. 1 by transferring responsibility for overseeing implementation of the Federal Advisory Committee Act from OMB to GSA. That responsibility includes advising other agencies concerning compliance with the Act, which requires that many advisory committee meetings be open to the public.

3. The President is authorized to place no more than 34 positions in Levels IV and V of the Executive Schedule in order to reflect changes in organization, management responsibilities or workload. The President may not place a position in Levels IV or V if the pay for a given position is fixed by statute.

The third proposed Order would delete the position of Associate Attorney General from the Level IV list, since that position has recently been established as a Level III position by statute. The Order would add to the Level IV list the position of Adviser to the Secretary and Deputy Secretary of Defense for NATO Affairs. The duties of this position include coordination of the various aspects of NATO policy.

Of the 34 possible Level IV and V positions, 32 have previously been designated. The proposed Order, which deletes one position and adds another, would not change that figure.

We recommend that you sign all three Orders.

☒ Approve

☐ Disapprove

EXECUTIVE ORDER

- - - - -

CONFORMING THE CENTRAL INTELLIGENCE AGENCY AND
CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEMS

By virtue of the authority vested in me by Section 292 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (90 Stat. 2472; 50 U.S.C. 403 note), and as President of the United States of America, it is hereby ordered as follows:

Section 1. The Director of Central Intelligence, hereafter referred to as the Director, shall maintain the Central Intelligence Agency Retirement and Disability System and the Central Intelligence Agency Retirement and Disability Fund, hereafter referred to as the Fund, in accordance with the following principles:

(a) None of the moneys mentioned in the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended (78 Stat. 1043, as amended; 50 U.S.C. 403 note), shall be assignable, either in law or equity, except under the provisions of subsection (b) of this Section, or subject to execution, levy, attachment, garnishment, or other legal process, except as otherwise may be provided by Federal laws.

(b) An individual entitled to an annuity from the Fund may make allotments or assignments of amounts of such annuity for such purposes as the Director in his sole discretion considers appropriate.

(c) No payment shall be made from the Fund unless an application for benefits based on the service of the participant is received by the Director before the one hundred and fifteenth anniversary of the participant's birth.

(d) Notwithstanding the provisions of subsection (c) of this Section, after the death of a participant or annuitant, no benefit based on the service of such person shall be paid from the Fund unless an application therefor is received by the Director within 30 years after the death or other event which gives rise to title to benefit.

(e) Sums deducted from salaries pursuant to Section 273 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1053; 50 U.S.C. 403 note) shall be deposited in the Treasury of the United States to the credit of the Fund.

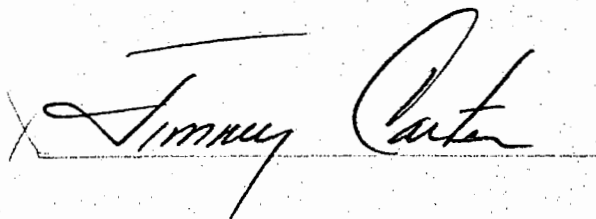
Sec. 2. The provisions of this Order are effective as follows:

(a) The provisions of Sections 1(a) and 1(b) are effective as of December 23, 1975.

(b) The provisions of Sections 1(c) and 1(d) are effective as of December 31, 1975.

(c) The provisions of Section 1(e) are effective as of October 1, 1976 and shall apply to annuitants serving in appointed positions on and after that date.

Sec. 3. The Director of Central Intelligence is authorized to prescribe such regulations as are necessary to carry out the provisions of this Order.

A handwritten signature in cursive script, reading "Jimmy Carter", is written over a horizontal line.

THE WHITE HOUSE,

EXECUTIVE ORDER

RELATING TO THE TRANSFER OF CERTAIN ADVISORY COMMITTEE FUNCTIONS

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), Section 301 of Title 3 of the United States Code, Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and Section 7 of Reorganization Plan No. 1 of 1977 (42 F.R. 56101 (October 21, 1977)), and as President of the United States of America, in accord with the transfer of advisory committee functions from the Office of Management and Budget to the General Services Administration provided by Reorganization Plan No. 1 of 1977, it is hereby ordered as follows:

Section 1. The transfer, provided by Section 5F of Reorganization Plan No. 1 of 1977 (42 F.R. 56101), of certain functions under the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), from the Office of Management and Budget and its Director to the Administrator of General Services is hereby effective.

Sec. 2. There^{is} is hereby delegated to the Administrator of General Services all the functions vested in the President by the Federal Advisory Committee Act, as amended, except that, the annual report to the Congress required by Section 6(c) of that Act shall be prepared by the Administrator for the President's consideration and transmittal to the Congress.

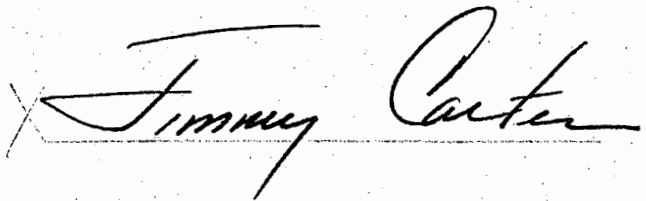
Sec. 3. The Director of the Office of Management and Budget shall take all actions necessary or appropriate

to effectuate the transfer of functions provided in this Order, including the transfer of funds, personnel and positions, assets, liabilities, contracts, property, records, and other items related to the functions transferred.

Sec. 4. Executive Order No. 11769 of February 21, 1974 is hereby revoked.

Sec. 5. Any rules, regulations, orders, directives, circulars, or other actions taken pursuant to the functions transferred or reassigned as provided in this Order from the Office of Management and Budget to the Administrator of General Services, shall remain in effect as if issued by the Administrator until amended, modified, or revoked.

Sec. 6. This Order shall be effective November 20, 1977.

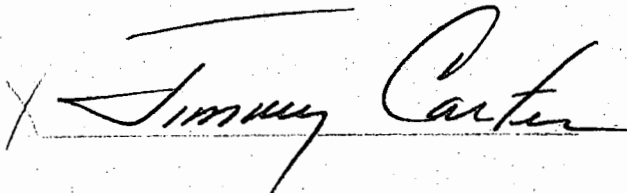
A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of a horizontal line.

THE WHITE HOUSE,

EXECUTIVE ORDER

RELATING TO CERTAIN POSITIONS IN
LEVEL IV OF THE EXECUTIVE SCHEDULE

By virtue of the authority vested in me by Section 5317 of Title 5 of the United States Code, and as President of the United States of America, Section 1 of Executive Order No. 11861, as amended, placing certain positions in Level IV of the Executive Schedule, is further amended by deleting "Associate Attorney General, Department of Justice." in subsection (12) and inserting in lieu thereof "Adviser to the Secretary and Deputy Secretary of Defense for NATO Affairs, Department of Defense.".

A handwritten signature in cursive script, reading "Jimmy Carter", written over a horizontal line. The signature is written in dark ink and is positioned to the right of the main body of text.

THE WHITE HOUSE,

~~THE~~ PRESIDENT HAS SEEN.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

December 1, 1977

9

MEMORANDUM TO THE PRESIDENT

FROM: Frank Press *FP*

SUBJECT: Science Adviser's Progress Report

1. Federal Dam Safety Procedures: Six months ago you requested me to chair an interagency review. The report has been completed and a summary recommendation will be sent to you separately. The Federal Government, with all its expertise, can improve its risk evaluation prior to a decision to construct, submit designs for independent review and initiate uniform inspection procedures applicable to all agencies. The Departments and Agencies must give greater attention to their aging dams. ✓
2. MX: An independent review by an OSTP panel is being completed and will be forwarded to you in a few days. ✓
3. Telecommunication security: I will convene the executive agents for Government - defense and civil sectors (DOD and DOC) respectively, and begin the implementation of your decisions. The Congressional Intelligence Committees have been briefed and a backgrounder given to the press. ✓
4. Federal non-fuel mineral policy: A proposed PRM, cleared by all agencies and White House staff, has been submitted for your approval. ✓
5. Other activities underway:
 - Industrial innovation - analysis of Federal role in promoting or inhibiting R&D and capital investment for the development of new technology ✓
 - Development of Carter Administration civil space program ✓
 - Analysis of DOE research priorities (at their request) ✓
 - E-W technology transfer - interagency review leading to Presidential options paper ✓
 - Administration position on recombinant DNA (genetic engineering) legislation ✓
 - Analysis of National Cancer Program ✓

THE WHITE HOUSE
WASHINGTON

December 1, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

MEETONG ON STEEL INDUSTRY PROGRAM

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
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	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
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	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS BEEN

THE WHITE HOUSE

WASHINGTON

December 1, 1977

ok
JC

Mr. President:

I have convened a meeting for 2:00 P.M. to try to resolve the issues re: the steel industry program. I hope that we can resolve as many of these issues as possible today, but I doubt that we will have a complete resolution today--but we will do our best to finish.

I will stress to the participants, particularly Tony Solomon, that there is to be no public discussion of the substance of the proposed program until you have reviewed and approved all parts of it.

Stu
Stu

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

December 1, 1977

Richard Pottigrew

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: REORGANIZATION PROGRESS
REPORT

THE WHITE HOUSE
WASHINGTON

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	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
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	ENROLLED BILL
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	PETERSON
✓	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

November 30, 1977

*Good
J*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

RICHARD PETTIGREW

Rick

SUBJECT:

Reorganization Progress Report

Attached is our monthly progress report.

Attachment

Reorganization Progress Report

November 20, 1977

Highlights

REGULATORY REFORM PLAN CIRCULATED--President Carter has requested public comment on a draft Executive Order aimed at simplifying and improving Federal Government regulations. It is the first in history to be published for comment in the Federal Register before submission to the President. The proposed Order would require federal agencies to allow extensive public involvement in regulation-writing and implement systematic reviews of existing regulations. (p. 10)

PERSONNEL MANAGEMENT BRIEFINGS HELD--A joint U.S. Civil Service Commission-OMB study team has briefed the President, as well as Cabinet and agency heads, on the progress of the personnel management study. The President has approved the direction of the project and directed that wider consultations be undertaken. (p. 9)

CONGRESS RESPONDS TO SURVEY--Responses to a White House-conducted survey of congressional offices demonstrate broad agreement on the need to address long-standing administrative problems. Agency responses to the survey will be incorporated in a report to the Congress on problems identified. (p. 11)

EEOC IMPLEMENTS REFORMS--The Equal Employment Opportunity Commission reports a substantial program aimed at correcting long-term administrative problems. (p. 12)

EXECUTIVE LOAN PROGRAM INITIATED--Experts from industry, non-profit organizations, state and local government are being recruited to the Reorganization Project as part of a special personnel loan program. (p. 13)

Inside—

STATUS OF PROJECTS

- Presidential Proposals...2
- Projects Underway.....3

RELATED DEVELOPMENTS

- Regulatory Reform.....10
- Congressional Responses..11
- EEOC Initiatives.....12
- Executive Loan Program..13

REORGANIZATION PROJECT--Recommendations for executive branch reorganization, including management and regulatory policy reform, are being developed by special study teams of the President's Reorganization Project. Located in the Office of Management and Budget, these teams work in coordination with affected departments and agencies. The Reorganization Project complements the efforts of the departments and agencies who are carrying out their own internal reorganization programs.

Presidential reorganization proposals will take the form of informal directives, Executive Orders, legislative proposals and specially-authorized reorganization plans. These plans go into effect unless disapproved by either house of Congress within 60 days. They are authorized by legislation signed by President Carter on April 6.

Presidential Proposals

EXECUTIVE OFFICE OF THE PRESIDENT--On July 15, President Carter submitted to the Congress Reorganization Plan No. 1, dealing with the Executive Office of the President. The main objective of the plan is to organize the Executive Office to best serve the President. Toward this end, the President reduced the size of the White House and EOP staff and reduced the overall number of Executive Office units.

Under procedures established for reorganization plans, the House acted on October 14 to reject a resolution disapproving Reorganization Plan No. 1 by a vote of 350 to 20. The Senate allowed the EOP reorganization plan to go into effect October 19 without a formal vote.

Howard Messner (395-4960)

ADVISORY COMMITTEE REDUCTION--Advisory committees include those committees, boards, commissions, councils and other panels which provide the Federal Government with advice and recommendations in particular subject areas. On February 25, President Carter ordered a government-wide, zero-base review of advisory committees aimed at eliminating those which are no longer necessary. 1,189 committees were reviewed in all.

On August 24, the White House announced a plan to reduce the overall number committees by 480, or 40%, in the number of advisory committees. Of this reduction, 261 would result from termination, 219 from consolidation. Of the 261 committees approved by the President for outright elimination, five had been created by Executive order; these were terminated immediately. 235 were created by agency authority; 183 of these have now been terminated. 21 committees were created by statute; a measure terminating these was introduced in Congress on September 13.

--Howard Messner (395-4960)

USIA-CULTURAL AFFAIRS--President Carter transmitted to the Congress on October 11 a reorganization plan which consolidates into one new agency the functions now exercised by the State Department's Bureau of Education and Cultural Affairs and the United States Information Agency. The new agency will be known as the International Communications Agency. Its director will be the principal advisor to the President as well as to the Secretary of State and the National Security Council on international information and cultural exchange activities.

The plan consolidates the Federal Government's public diplomacy programs--cultural, educational and informational--into one agency. It reduces duplication by combining in Washington functions which have been combined successfully in U.S. overseas posts for over twenty years.

In submitting the plan, President Carter said that principles guiding its development included: maintaining the integrity of the educational and cultural exchange programs and keeping the Voice of America's news gathering and reporting functions independent and objective. The President affirmed his commitment to the independence of the VOA. "VOA will be solely responsible for the content of news broadcast," he said.

The reorganization plan has now been approved by the House Government Operations and Senate Government Affairs Committees.
-- Eric Hirschhorn (395-3727)

Projects Underway

ADMINISTRATIVE SUPPORT SERVICES--To improve management of administrative services within the Federal Government, including the General Services Administration. In a notice published in the Federal Register November 18, the project requests public comment on a series of questions related to administrative services management. Letters seeking similar public comment are being mailed to 1,000 government suppliers, trade associations, labor unions and interest groups. The Chairman of the Federal Administrative Officers Group has also sent a request for information to department and agency heads. This information is being used to shape the detailed design of the study, presently near completion. The study will include real property, personal property, telecommunications, and records management functions of the Federal Government.

--Joe Malaga (566-1212 or 235-2400)

AUTOMATED DATA PROCESSING--to improve use of automated data processing in the delivery of government services. The study work plan has been approved. The project staff has met with 39 data processing related interest groups to inform them of the study and receive their views on its conduct. The study will be closely coordinated with the Administrative Services project. September 1978

-- Walter Haase (395-4745)

BORDER LAW ENFORCEMENT--to determine organizational implications of the border law enforcement review conducted by the Office of Drug Abuse Policy and the OMB. A draft options paper on border management has been circulated to affected departments and agencies.

-- Tread Davis (395-6113)

FEDERAL CASH MANAGEMENT--to identify further opportunities for applying modern cash management techniques throughout the executive branch; to use cash more efficiently and thereby reduce federal debt and interest costs. On November 14, the President announced to heads of executive departments and agencies this comprehensive review of cash management policies, practices and organization, to be conducted by the President's Reorganization Project in conjunction with the Treasury Department. Richard Cavanagh has been named Executive Director.

-- Dick Cavanagh (395-4960)

CIVIL RIGHTS--to strengthen enforcement of civil rights legislation and reduce the burden of formal compliance activity.

Equal employment opportunities programs are the first area to be addressed. Today the federal effort to eliminate job discrimination is weak and fragmented with 18 different departments and agencies enforcing 40 separate equal employment requirements. This has resulted in overlapping jurisdictions, inconsistent standards and reporting requirements, poor utilization of resources, and confusion among both protected groups and employers. These problems are due in large part to the piecemeal manner in which the federal equal employment effort has developed in the years since 1941 when President Roosevelt issued an Executive order initiating the contract compliance program.

The reorganization study focuses primarily on the Equal Employment Opportunity Commission and the equal employment enforcement programs of the Departments of Labor, Justice and the Civil Service Commission. Meetings have been held with both the Congress and interested groups to discuss draft reorganization proposals.

-- Howard Glickstein (395-3937)

CLASSIFICATION OF NATIONAL SECURITY DOCUMENTS--to participate in a review of the national security classification system being conducted by the Domestic Policy Staff and the National Security Council. A draft Executive order has been circulated to departments and agencies, relevant congressional committees and members of the public affected by document classification. Comments received will be utilized in the preparation of a final Executive order.

-- Eric Hirschhorn (395-3727)

COMMUNITY AND LOCAL ECONOMIC DEVELOPMENT--to review the organization and structure of the major federal programs for local and community development. The study team is meeting with key community development interest groups, including the National League of Cities and the U.S. Conference of Mayors, to discuss problems and issues in the relationships of the Federal Government to localities. In addition the team has conducted field trips to Richmond, Buffalo, Charleston, W.Va., Frankfurt, Detroit, Savannah, Milwaukee, Minneapolis and Boston. These visits are designed to assess current administration of federal development programs.

February 1978

-- Lester Salamon (395-5017)

DISASTER PREPAREDNESS--to review the federal civil emergency disaster programs for the purpose of clarifying federal and state roles and identifying organizational problems. A work plan has been approved. The project is conducting case studies of both the flood insurance program and civil preparedness guidelines. Recent floods in Johnstown, Pennsylvania and Eastern Kentucky are included in these studies.

-- Greg Schneiders (456-2943)

DEPARTMENT OF DEFENSE STUDIES--to review Defense management structure, the national military command structure, and Defense resource management. The President has asked the Defense Department to conduct this study in cooperation with the Reorganization Project. During the past month DOD developed draft study plans for conducting the various analyses. The project staff is working with DOD to complete the plans and initiate the studies.

-- Bill Jones (395-3727)

ECONOMIC ANALYSIS AND POLICY MACHINERY--the objective of this study is to make more effective use of the government's economic analysis resources, eliminate both gaps and overlaps in economic analysis machinery, and link more effectively the nation's economic and foreign policies.

The study has continued its preliminary meetings with congressional staff and affected agencies. Potential issue areas are now being identified for case study.

June 1978

-- Lester Salamon (395-5017)

EDUCATION--to review federal education programs for organizational and service delivery improvements. Meetings have now been held with Members of Congress and interested groups to discuss the alternatives currently under consideration.

A more detailed analysis of the identified options is now underway. The team has undertaken its field work with a visit to Minneapolis. The study team is to meet with the President the last week in November to discuss its interim findings and recommendations.

-- Pat Gwaltney (395-5014)

EMPLOYEE RETIREMENT INCOME SECURITY ACT--to achieve a more effective structure for administration of this Act. The Project has worked closely with the Departments of Labor and Treasury in developing an option paper on the division of responsibilities between these two departments in administering pension regulations. Project staff are scheduled to meet with Members of Congress to discuss these options as well as pending legislation.

-- Pat Gwaltney (395-5014)

FEDERAL FIELD STRUCTURE--to review field coordination of interagency and intergovernmental operations. Study plans are being developed in cooperation with the White House staff. The study team is currently reviewing various aspects of the study.

-- Vince Puritano (395-3774)

FOOD AND NUTRITION POLICY--to review federal food policymaking structure to improve its ability to formulate and implement policy. Project is in process of selecting a study director. Staff has met with the General Accounting Office to discuss GAO's food and nutrition study. A more detailed project study plan has been developed.

-- Lester Salamon (395-5017)

HUMAN SERVICES--to improve the federal organization and delivery of human services to needy families and individuals. During September, October and November the study team completed site visits to Baltimore, Hartford, Phoenix, Los Angeles, Appalachia, and rural Mississippi. The purpose of these field trips is to study the problems and issues of human services delivery from the perspective of program workers and recipients. Problems described in completed field trips have included: excessive paperwork and reporting requirements, differing eligibility requirements for closely-related programs and a general shortage of accessible facilities for social and health services delivery in rural areas.

Based on the results of these field trips, meetings with congressional staff and over 200 interest groups, a draft summary of problems, issues and options is being developed. This survey will be circulated for comment to interested congressional committees, national organizations and individuals.

May 1978

-- Pat Gwaltney (395-5014)

IMPROVEMENT OF THE JUSTICE SYSTEM--to review existing and possible justice system activities for managerial, structural or other improvements. The study team is continuing to meet with Members of Congress and their staffs; Justice Department representatives and Supreme Court staff. A draft options paper has been prepared on the establishment of a National Institute of Justice. William Mooney of the Justice Department has been selected to direct the justice portion of the study.

April 1978

-- Tread Davis (395-4962)

INTERGOVERNMENTAL MANAGEMENT CIRCULARS--to improve service delivery and procedures discussed in OMB Circulars A-85 (Regulation Clearing); A-95 (Clearing Houses); and A-111 (Joint Funding).

A-85: Comments on the draft circular to agencies, public interest groups and OMB are being analyzed and recommendations completed. (See discussion of November 18 Executive Order on page 10.)

A-95: The Division has completed a draft report on short-term actions to strengthen the circular based on a nationwide survey of groups and officials dealing with the clearing houses. The report is being distributed to White House/OMB staff, federal agencies and state/local officials for review and comment within 30 days. The study team has been interviewing selected state and local officials as well as federal agencies for comments on A-95.

A-111: Final comments on the draft circular are due this month. These will be modified and a proposed final circular completed.

-- Vince Puritano (395-3774)

LAW ENFORCEMENT--to review all federal law enforcement missions, tasks and priorities. 90% of the team's requests for information from agencies holding enforcement functions have now been received and are being reviewed. The study team is continuing to meet with interest groups and agency representatives to discuss current findings and additional problem areas.

April 1978

-- Tread Davis (395-4962)

LEGAL REPRESENTATION--to review governmental units with litigation and legal counseling responsibilities for improvements in resource allocation and reduction of confusion. The study team has developed a preliminary options paper on legal representation issues, which has been discussed in an interim review session. A briefing has also been conducted for the Senate Judiciary Committee.

May 1978

-- Tread Davis (395-4962)

MOTOR CARRIER REGULATORY REFORM--an interagency task force, chaired by OMB and the Department of Transportation, is examining a range of options on ways to reform motor carrier (truck and bus) regulation. As a first step in developing these options, the task force is now conducting meetings with affected industry and labor groups.

January 1978

-- Stan Morris (395-6176)

NATURAL RESOURCES AND ENVIRONMENT--to review the organization of federal natural resource and environmental programs. The team has received a significant amount of data and material from the agencies, particularly the Department of Interior. In addition, the study team has met with over 50 environmental, user, energy and general interest groups, as well as congressional committee staff. Analysis of this information and meetings with agency representatives are continuing.

February 1978

-- Bill Harsch (395-5105)

OSHA-WORKPLACE SAFETY AND HEALTH--to review jointly with the Labor Department federal efforts to improve workplace safety. Richard Bergman has been selected as study director. The study team has met with Congress, labor and industrial officials as well as other agency officials regarding problems and issues to be addressed by the study.

April 1978

-- Stan Morris (395-6176)

PAPERWORK REDUCTION--to reduce Federal Government reporting burdens. The project is reviewing the Paperwork Commission's recommendations and is preparing a plan for their implementation. A meeting is scheduled for November 29 with key agency policy officials to discuss Administration scheduling for Phase II of the President's overall paperwork reduction program.

-- Stan Morris (395-6176)

FEDERAL PERSONNEL MANAGEMENT--to reform the federal personnel management system. A cooperative effort of the U.S. Civil Service Commission and OMB, this project's objective is to build confidence in the federal service by improving its capability to respond to citizen needs. Its goal is to develop a workforce characterized by high productivity, professional competence, political neutrality and high motivation toward serving the public. The project also seeks to strengthen the capacity of government units to protect employees from merit system abuse. The staff has met with groups of federal employees in the ten regional cities to discuss current personnel management practices. Public meetings with federal employees have also been held in Virginia, Maryland and the District of Columbia.

The study team has developed six option papers which have been circulated to over 700 groups for comment. Analysis of comments received has now been completed and the project report is being drafted. Briefings have been conducted for the Cabinet, senior agency officials, and other interested parties.

On November 18, the Personnel Management Project briefed President Carter on the progress of its study. The President approved the study's current direction and requested that the project team undertake wide consultations with affected groups in developing final recommendations.

-- Howard Messner (395-4960)

FEDERAL PLANNING REQUIREMENTS REVIEW--to review federal requirements for state and local planning, to promote coordination and to minimize the burden on state and local governments.

Agencies responsible for over 150 programs with planning requirements have submitted to the task force zero-base reviews of those requirements. A final report is to be completed by OMB for submittal to the President by the end of this month.

-- Vince Puritano (395-3774)

SMALL AGENCY REDUCTION--to review 77 small agencies for possible elimination or combination with other units. The study team is continuing its preliminary examinations of individual agencies. Findings and recommendations are being prepared as each agency is reviewed. (Many of these 77 agencies are being reviewed as part of the larger reorganization studies).

January 1978

-- Tread Davis (395-6113)

Regulatory Reform

The President's regulatory reform program aims to simplify and improve government regulations which are often unnecessarily complex, confusing and burdensome. These regulations are often cited as a source of frustration by consumers, businessmen, as well as state and local governments. (The difficulty in making private views known to federal regulatory agencies is another source of frustration).

On November 17, President Carter announced that he is seeking public comment on a proposed Executive Order to reform the government's regulatory procedures. The proposed Order requires agencies to take the following actions:

- Publish a semi-annual agenda of upcoming regulatory actions in order to allow all interested parties--consumers, business, Congress, state and local governments and other public groups--to provide their views on the regulation.
- Develop a plan for all significant regulations which assures that the views of the public are considered in the agency's decisions; that the regulation does not conflict with those of other agencies; that the regulation is written clearly; and that there is a specific official accountable for the regulation.
- Increase oversight by policy officials of the regulation development process to assure that regulations are in the best interest of the public.
- Prepare a regulatory analysis for all major regulations to assure that feasible alternatives have been analyzed and that the most effective and least burdensome approach has been chosen.
- Undertake a systematic review of existing regulations.

The draft Executive Order has been submitted for review to all departments and agencies and many Members of Congress. The Federal Register notice appeared Friday, November 18, 1977. (This is the first time that an Executive Order has been published in draft form inviting public suggestions and comments).

-- Wayne Granquist (395-6176)

Responses to Congressional Casework Survey

Richard A. Pettigrew, Assistant to the President for Reorganization, recently conducted a survey of congressional offices aimed at identifying those federal activities which have caused the most constituent problems and complaints over the years. More than 200 House and Senate offices have now responded to the survey. These responses, some of which are quite extensive, have been forwarded to the executive departments and affected agencies, as well as to the President's Reorganization Project itself.

In a memorandum to heads of executive departments and agencies released November 3, President Carter called attention to the value of the survey. "Senators and congressmen devote a good portion of their time and staff resources to helping constituents deal with government agencies. This survey has yielded a wealth of information on the daily concerns both of the Congress and the average citizen in dealing with their government."

"Responses received so far reflect a strong consensus as to the need for improved program effectiveness in particular areas. They provide us a unique opportunity to improve government's competence in serving the average citizen. The success we have in dealing with the problems identified will bear substantial benefits for great numbers of people. For this reason, their correction deserves priority attention," the President said in his memorandum.

The survey asked congressional offices to identify those federal activities which cause the most constituent complaints regarding inefficiency, confusion, excessive paperwork requirements and general program failure. Problems cited most frequently in the survey responses involved delays in processing various federal applications, difficulty in obtaining up-to-date information on the status of particular cases, complex forms and procedures.

The bulk of complaints centered on the large federally administered programs which affect great numbers of people. These included the Department of Labor's Office of Workers' Compensation Programs, which administers Federal Employees Compensation and Black Lung benefits; the Social Security Administration, which administers a far larger disability benefit program; and the Justice Department's Immigration and Naturalization Service. Other federal agencies which drew substantial mention in a number of problem categories included the Internal Revenue Service, HUD and the Small Business Administration. Programs identified by a significant number of respondents in the "inefficient" category

only, included the U.S. Postal Service, the U.S. Civil Service Commission and the Department of Agriculture's Farmers Home Administration. While cited frequently for "excessive paper-work" the Department of Labor's Occupational Safety and Health Administration was given credit by several congressional offices for recent changes. Agencies identified as "responsive" included the Veterans Administration, the Department of Defense, the State Department's Passport Office and the Social Security Administration.

The President has directed executive departments and agencies to report to the Office of Management and Budget by December 5 their efforts, now underway or being planned, to address the problems identified in the survey. These reports will form the basis for a subsequent report to the Congress on the various problem areas.

Initial comments have been received regarding administrative reform efforts being currently undertaken at the Office of Workers' Compensation Programs and the Immigration and Naturalization Service. The Social Security Administration has also supplied initial comments on the congressional survey responses.

-- Richard A. Pettigrew (456-2706)

Equal Employment Opportunity Commission

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION--While the President's Reorganization Project focuses on interdepartmental issues, affected agencies themselves have begun to implement internal program improvements.

Chair Eleanor Holmes Norton of the Equal Employment Opportunity Commission announced a major reorganization and reform effort at the Equal Employment Opportunity Commission. Reforms include a Backlog Charge System to eliminate a backlog of 130,000 charges; a Rapid Charge Processing System to reduce complaint processing time; a revitalized systemic discrimination program with units in each district office; and a complete restructuring of field offices to integrate litigation and compliance functions in order to attain early settlements. These concepts are presently being tested in model offices in Baltimore, Dallas and Chicago. Commission reports reflect a one-third reduction in the number of formal complaints filed due both to better screening of incoming charges and informal resolutions of cases.

Executive Loan Program

The President's Reorganization Project is organized around a small core professional staff. It includes a far larger group of civil servants selected from federal agencies to serve on various projects.

The Reorganization Project is now seeking to supplement this staff with academic, business sector, public interest group, other organization personnel, as well as state and local government officials, whose employers agree to lend them to the Project for periods of 90 days to six months. (In each case, the employer must agree to pay the costs associated with the assignments). The objective of the Executive Loan Program is to ensure that individuals from diverse backgrounds and perspectives participate actively in the Reorganization Project.

As a first step in the Program, Assistant to the President for Reorganization Richard A. Pettigrew has sent letters to chief executive officers of 1200 major corporations.

-- Ross Robeson (395-3512)

PRESIDENT'S REORGANIZATION PROJECT

Office of Management and Budget

James McIntyre, Acting Director

Harrison Wellford, Executive Associate Director for Reorganization and Management

Peter Szanton, Associate Director for Organization Studies

Wayne Granquist, Associate Director for Management and Regulatory Policy

Peter Petkas, Director, Project Management Staff

Terry Straub, Reorganization Project Congressional Liaison

White House

Richard Pettigrew, Assistant to the President for Reorganization

Progress Report Contact: Christopher Matthews
(456-6730)

MEMORANDUM

THE PRESIDENT HAS SEEN.

3:30 P.M.

THE WHITE HOUSE

WASHINGTON

**Electrostatic Copy Made
for Preservation Purposes**

November 30, 1977

MEETING WITH SENATE AIDES ON PANAMA CANAL TREATIES

Thursday, December 1, 1977

3:30 P.M. (30 minutes)

The State Dining Room

From: Hamilton Jordan *HJ.*

I. PURPOSE

- A. To emphasize to the Senate aides the importance you and the Administration place on approval of the Treaties.
- B. To give the aides an opportunity to question you and the Administration spokesmen on the Treaties.
- C. To give them an opportunity to see how we are presenting information on the Treaties to the citizens at state briefings.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: We have been hearing for several weeks now that many Senate offices don't know how high the Treaties are on your priority list, how hard we are willing to work and how many resources we are willing to commit. This session is designed to answer that question.
- B. Participants: Approximately 100 Senate aides are expected: the lead person for each Senator on the Treaties, as well as committee staffers from the Senate Foreign Relations and Armed Services Committees.
- C. Press Plan: No coverage.

III. TALKING POINTS

- A. The remarks you normally give need to be somewhat tailored to fit this group, most of whom have been briefed on the Treaties, some of whom have considerable expertise on the history of the Canal.

Most have never heard you speak on the subject, however, and in fact, have never heard you in person.

You might refer to their expertise on the subject, and add that you feel you share with them the thrill of participating in a very important and historic decision.

- B. You should also talk more about the Treaties within the context of your entire foreign policy. This would keep the meeting from turning into a discussion of a multitude of the more obscure facts about the Treaties, which are available to these staffers at any time from the State Department.
- C. You might cite recent polls showing lack of knowledge about the Treaties and your efforts to conduct an educational program. (polls attached)

The phone calls at the White House soaring to a 75% approval rate after the Bill Moyers special on Panama was telecast from a 100% disapproval prior to the telecast is a good example of the importance of education.

- D. You might like to tell them that we have held briefings here for citizens from 25 states (the Senate staffs have been very helpful here), as well as for the Jaycees, heads of women's organizations, Speakers of the Houses from Southern States, etc.

Attachment: List of invitees

The Gallup Poll

Canal Treaties Are Enhanced By Information

By George Gallup

PRINCETON, N.J.—The more Americans know about the Panama Canal treaties, the more likely they are to favor Senate ratification of the pact, lending support to President Carter's thesis.

When those surveyed who have not heard or read about the debate over the treaties (26 per cent) are given a brief description of the pact and are asked to vote on it, they vote it down by nearly a 2-to-1 ratio (39 to 23 per cent with 38 per cent undecided).

However, when the results are limited to just those who have heard or read about the debate (74 per cent), opinion is more closely divided, with 48 per cent opposed, 40 per cent in favor, 12 per cent undecided.

Finally, the survey measured the views of the respondents to three key questions about the pact: the year the canal is to be turned over to the Republic of Panama, whether or not the United States has the right to defend the canal against third-nation attacks and whether or not the biggest U.S. aircraft carriers and supertankers are able to use the canal.

The vote among this "better informed" group—the one person in 14 who can answer all three questions correctly—is 5 to 4 in favor of the treaties.

The survey reveals a serious lack of knowledge about the treaties, with about four in 10 Americans aware that the United States has the right to defend the canal, only about one in four aware that the canal is to be turned over in the year 2000 and only about one in seven aware that aircraft carriers and supertankers cannot use the canal.

The poll was taken between Sept. 30 and Oct. 3.

(Overall, the poll shows 36 per cent favoring the treaties, 46 per cent opposed and 19 per cent undecided, regardless of awareness of details of the treaties.)

(These results show a slight drop in approval from Gallup poll released in early September, when 39 per cent favored the treaties, 46 per cent were opposed and 15 per cent undecided. The earlier poll, however, was designed before the treaties were written and asked respondents their views based on brief summary that stated, incorrectly, that the United States would "maintain control over the land and installations necessary to operate and defend the canal" after the turn of the century.)

Those who have heard or read about the debate were asked what they regard as the best arguments in favor of and against the treaties. Here are the responses, in order of frequency of mention:

BEST ARGUMENTS IN FAVOR

1. A good public relations move—remove stigma of colonialism.
2. Canal is not important to U.S. interests
3. Maintaining canal is too expensive.
4. To avoid a conflict/prevent hostilities
5. Not giving it totally away—we would be able to defend it against attack from third nation.
6. It belongs to the Panamanians—it's part of their land.

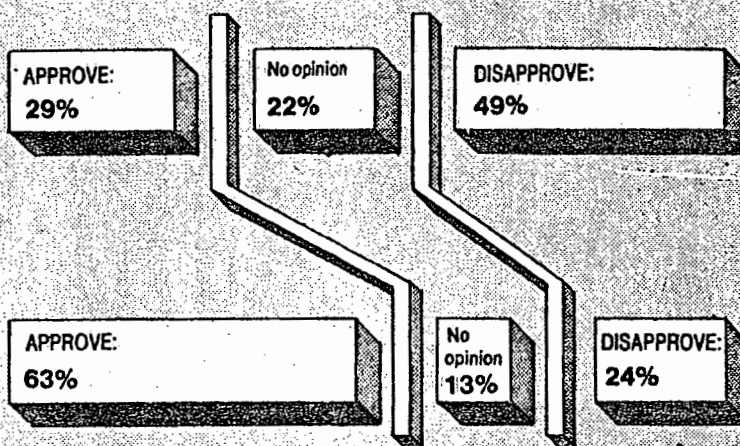
BEST ARGUMENTS AGAINST

1. U.S. has economic stake in canal
2. U.S. should not pay them to take the canal
3. Panama may not stick to terms of treaties
4. They will soon keep us from using the canal at all
5. Communists will take it over
6. Canal is important to our national security
7. We built and paid for it—we should keep it.

The New York Times
CBS NEWS POLL

Support for Canal Treaties Depends on Security Provisions

"The Senate now has to debate the treaties that President Carter signed granting the control of the Panama Canal to the Republic of Panama in the year 2000. Do you approve or disapprove of those treaties?"



"Suppose you felt that the treaties provided that the United States could always send in troops to keep the canal open to ships of all nations. Would you then approve of the treaties?"

Attendees at the Panama Canal Treaties Briefing on December 1, 1977

Aide

to Senator:

Dick Hargis
8/23/51 462-92-0469
Martin James
2/8/52 408-90-0054
Chris Aldridge
11/10/48 305-56-5268
Steve Ward
3/10/40 145-30-3401
Sara Garland
5/1/46 501-52-2541
Len Parkinson
5/17/37 510-42-0650
Cran Montgomery
8/24/44 411-70-6897
Frank Krebs
12/3/10 321-34-2351
Kip Hawley
11/10/53 015-38-2025
Howard Liebengood
12/29/42 307-44-9707
Charlie Stevenson
5/18/42 523-50-1405
Harris Miller
6/23/51 189-42-4252
Leonard (Len) Ritt
8/7/37 346-30-9357
Wendy Grieder
4/6/43 549-58-0299
Pat Chastka
4/13/51 225-80-2895
Marguerite Sullivan
4/9/11 481-01-3237
Holmes Brown
2/12/42 225-68-3669
Lon Sendle
11/23/41 541-48-6220
Tom Carter
8/15/53 250-04-9085
Bill Reinsch
1/15/46 343-36-9646

Bellmon
Bellmon
Bayh
Bentsen
Burdick
Bumpers
Baker
Cannon
Chafee
Baker
Culver
Durkin
DeConcini
Abourezk
Glenn
Goldwater
Haskell
Hatfield
Hayakawa
Heinz

Attendees at the Panama Canal Treaties Briefing (continued)

2

Aideto Senator:

Mike Copps
4/23/40 395-38-4641
Dick McCall
5/6/42 505-48-8558
Christopher (Chris) Visher
1/4/43 578-60-2488
Laura Stevens
10/19/49 434-74-2235
Martin D. (Marty) Franks
9/27/50 314-52-8478
Alice Gilmore
12/21/48 579-66-3243
John Holum
12/4/40 522-54-0575
Tony Mazzaschi
11/21/55 003-44-1089
Madeleine Albright
5/15/37 524-46-7698
Ralph Nurnberger
7/10/46 051-38-1386
Margy Lynch
11/6/37 031-32-9512
Ron Tammen
11/30/43 540-52-3593
Ned Massee
1/14/50 435-80-3852
Charles Morrison
3/4/44 516-50-2705
Susan Poor
7/25/52 041-50-1835
Jim Humphreys
11/29/48 235-76-8789
Alison Rosenberg
9/5/45 265-84-4311
Scott Cohen
4/8/24 028-12-3371
Geoffrey Garin
7/8/53 065-38-1768
Mitchell Daniels
4/7/49 306-50-7152

Hollings
Humphrey
Inouye
Johnston
Leahy
Matsunaga
McGovern
McIntyre
Muskie
Pearson
Pearson
Proxmire
Randolph
Roth
Riegle
Riegle
Percy
Percy
Heinz
Lugar

Aideto Senator:

Mary Jane Due 6/10/22 529-12-5235	Metzenbaum
Mark Moran 9/19/50 478-68-6745	Church
Virginia Yates 9/14/15 299-09-3186	Byrd
Eli Feinberg 7/2/41 267-58-2226	Stone
Bob Dockery 8/19/42 558-54-3560	Senate Foreign Relations Committee
Norvil Jones 8/1/29 431-34-5513	Senate Foreign Relations Committee
Christie Cohagen 4/25/50 553-90-0255	Cranston
Jane Matthias 11/2/47 231-64-1974	Ford
Bob Nichols 9/9/45 369-44-5330	Jackson
Eugene Iwanciu 5/16/52 144-44-0189	Schmidt
Mike Hodin 7/25/51 178-44-8325	Moynihan
Gabriel Schoenfeld 11/17/55 117-38-9153	Moynihan
David Lambert 11/8/49 587-30-8362	Eastland
Arthur (Art) House 7/21/42 049-32-2591	Ribicoff
George Kroloff 10/12/35 360-26-3220	Senate Foreign Relations Committee (Sparkman's Special Assistant on the Anderson Committee)
John Brimsek 3/7/50 471-58-3123	Byrd
Hoyt Purvis 11/7/39 431-70-5841	Zorinsky
Louis Ashely 7/14/27 236-38-1255	Williams
Paul Skrabut 8/29/42 198-32-1815	Weicker
Steve Moore 6/16/54 040-48-1086	

Attendees at the Panama Canal Treaties Briefing (continued)

4

Aideto Senator:

Bob Avery
1/26/53 257-74-6546
Frank Crawford
8/20/27 292-16-7793
Jim Kendall
8/12/16 426-62-4066
Jay McCloskey
3/20/47 005-50-3888
Ann J. Procter
8/20/45 577-64-0535
Kay Davies
12/14/45 481-56-8680
Joyce Shub
9/5/31 057-26-2924
Wayne Mehl
6/24/41 279-36-9040
Doni Straube
4/18/43 263-72-0297
Jim Guirard
5/15/36 436-56-8824
Casimir Yost
12/26/44 127-36-9518
Sharon Berg
4/21/50 356-40-3887
Wally Dietz
5/2/55 413-04-7537
Larry Groner
4/12/51 212-52-0431
Jan Kalicki
8/5/48 117-38-9971
Hans Indorf
9/6/27 091-30-7159
Mark Edelman
6/27/43 491-46-7004
David Rossiter
3/22/41 517-46-5554
Cliff Hackett
4/15/30 040-24-6125

Talmadge
Stevenson
Stennis
Hathaway
Eagleton
Domenici
Biden
Melcher
Long
Long
Mathias
Chiles
Sasser
Nelson
Kennedy
Morgan
Danforth
Brooke
Sarbanes

Attendees at the Panama Canal Treaties Briefing (continued)

5

Aide

Carolyn Fuller
12/9/42 228-58-3272
Edwin (Ed) Graves
12/23/43 421-56-0900
Craig F. Starr
12/23/53 507-60-1522
Francis J. Sullivan
10/8/32 018-24-2858
John C. Roberts
2/29/40 505-44-2727
James C. Smith II
7/25/39 215-36-1066
Robert L. (Bob) Downen
4/18/51 512-52-5052

to Senator:

Hubbleston
Hubbleston
Zorinsky
Senate Armed Services Committee
Senate Armed Services Committee
Senate Armed Services Committee
Dole

THE WHITE HOUSE
WASHINGTON
December 1, 1977

The Vice President

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

LEGISLATIVE SUMMARY FOR LEADERSHIP
MEETING

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

✓	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Electrostatic Copy Made
for Preservation Purposes

November 28, 1977

*Fritz
info
J*

MEMO TO: The Speaker
FROM : Irv Sprague
SUBJECT: Legislative Summary for Leadership Meeting

The Administration is now putting together a legislative agenda for 1978. Our analysis shows there is sufficient unfinished business to make the second half of the 95th Congress most productive. If we find time to simply complete all that has been started, the President and the Congress can rightfully take credit for one of our most productive and innovative Congresses.

UNFINISHED BUSINESS - 95TH CONGRESS

(Based on interviews with all committees, the following is a sampling of 200 issues of national interest, in no particular order, and is far from all-inclusive.)

1. Economic Stimulus. The comprehensive program enacted this year is beginning to take effect. We now need a follow through with a quick tax cut, more jobs programs, steel import regulation, inflation controls, Humphrey-Hawkins, and urban development.
2. Energy. Conferees meeting.
3. Reorganization. Basic authority granted. Two plans completed. We can handle three or four more next year.
4. Welfare Reform. Markup begins Tuesday. Tough issues to be resolved.
5. Social Security. Will go to conference Wednesday. Issues are Ketchum Amendment (unlimited earnings reduced from 72 to 65) and wage base (higher for employer than employee).
6. Supplemental Appropriations. House acts Wednesday. B-1 rescission vote.
7. Labor-HEW Appropriations. Abortion issue still to be resolved.
8. District Appropriations. Convention Center issue still to be resolved.
9. Labor Law Reform. Passed House. Will take time in Senate.
10. Panama Canal Treaty. Will take time in Senate.
11. SALT Agreement. Will take time in Senate.
12. Hospital Cost Containment. Hearings underway.
13. Nuclear Non-Proliferation. Passed House.
14. Thirteen Regular Appropriations Bills. In June.
15. Budget Resolutions. May and September.
16. Public Financing of Congressional Elections. In Committee.
17. Waterway User Fees. Passed House.
18. Hatch Act. Passed House.
19. Korean Withdrawal Funds. Prognosis uncertain.
20. Highway and Mass Transit. Authorizations expire. This is a controversial multi-billion dollar bill. Hearings started.
21. Undocumented Aliens. In committee. Very controversial.
22. Federal Judgeships. In markup.
23. Clean Water. In conference. May file this week.

24. Bankruptcy Reform. House action partially completed.
25. Outer Continental Shelf. Reported. Rules problem.
26. Postal Reform. Reported. Multi-billion dollar major bill.
27. Corporate Bribery. In conference.
28. Elementary and Secondary Education. Major programs expire. \$Billions
Hearings started.
29. Legal Services Corporation. In conference. Agreed to file.
30. International Development Act. Authorization expires. Human
rights issue.
31. International Security Assistance. Authorization expires.
Issues are arms sales to Saudi Arabia, Iran, Turkey, Middle East.
32. Nuclear Regulatory Commission, ERDA, National Science Foundation.
Authorizations expire. Clinch River could be back.
33. Veterans Pension Reform. \$1 billion bill. Controversial.
34. Debt Limit. Expires in March.
35. Airline Deregulation. In Committee.
36. Consumer Agency. Prognosis uncertain.
37. Oil Spill Liability. Passed House.
38. Redwoods Park. Reported.
39. Assassination Committee. Report due in 1978.
40. Ethics Committee. Report due in 1978.
41. No-Fault Insurance. In committee.
42. Criminal Code Reform. In committee.
43. Lobby Reform. In committee.
44. Consumer Co-op Bank. Passed House.
45. Financial Disclosure. Reported.
46. Financial Institutions Reform. In committee.
47. Safe Banking Act. Passed Senate.
48. Domestic Development Bank. New program.
49. IMF Financing. In committee.
50. Export-Import Bank. Expires. Human rights.
51. Housing. Many programs expire. \$ Billions
52. Regulation Q. Expires.
53. Defense Production Act. Expires
54. ERDA Authorization. Will be repassed without breeder language.
55. Trading with the Enemy Act. Passed House and Senate.
56. Criminal Code Revision. Hearings held.
57. Alaska Lands. In committee.
58. Insecticide Act. In conference.

59. Child Health Programs. In committee.
60. Coal Slurry Pipeline. In committee.
61. Renegotiation Board. Dead.
62. Equal Rights Amendment Extension. Hearings held.
63. Sugar Legislation. A possibility.
64. Timber Sales Procedure. Reported.
65. Federal Crop Insurance. In committee.
66. Defense Authorization. Expires. \$ Billions.
67. Department of Energy Authorization. Expires.
68. Military Construction Authorization. Expires.
69. Federal Reserve Chairman Term. In committee.
70. NOW Accounts. In committee.
71. New York City Financing. Expires.
72. Sexual Exploitation. House does conference report Wednesday.
73. Endangered Species. House does conference report Wednesday.
74. School Lunch. Expires.
75. Older Americans. Expires.
76. Environmental Education. Expires.
77. Alcohol Drug Abuse. Expires.
78. CETA. Needs to be extended and amended.
79. Economic Opportunity Act. Ordered reported.
80. ACTION Programs. Expire.
81. Age Discrimination in Employment. In conference. Issue is exemptions for businessmen and professors.
82. Colorado River Projects. Authorization expires.
83. Nuclear Licensing Procedure. In committee.
84. Nuclear Waste Disposal. In committee.
85. 160-Acre Limitation. In committee.
86. Wilderness Areas. Conferees meet Tuesday.
87. Scenic Rivers. In committee.
88. National Parks Authorization. In committee.
89. Arms Control and Disarmament. Expires.
90. Peace Corps. Expires.
91. 22 Health Related Acts. All expire.
92. Amtrak. Authorization expires. Hearings held.
93. Disability Insurance. Hearings held.
94. Nuclear Regulatory Commission. Authorization expires.

95. Water Resources Development. In committee. (New Administration policy)
96. Kennedy Center Payments. Senate has approved forgiveness of \$20 million bond interest. Controversial.
97. Omnibus Rivers and Harbors. In committee. (Possible Administration move to deauthorize some projects)
98. Black Lung. In conference.
99. Veterans Medical Facilities. Controversial.
100. Veterans Medical Services. Controversial.
101. Consolidated Farm Development. In committee.
102. Commodity Trading Commission Expires.
103. Great Plains Programs. Passed Senate.
104. Re-Enlistment Bonuses. Expires.
105. Reserve Survivor Benefits. In committee.
106. D.C. Criminal Code. In committee.
107. D.C. Home Rule. In committee.
108. Kennedy Stadium Bonds. Expire. Big payment due.
109. Career Education. House does conference report Tuesday.
110. International Fisheries. House acts Tuesday.
111. ERISA Pension Plans. Passed House and Senate.
112. Child Abuse Prevention. Passed House and Senate.
113. Youth Camp Safety. Reported.
114. Civil Rights Amendments. A possibility.
115. Urban Grant University Act. In committee.
116. Farm Labor Contractor Amendments. In committee.
117. Inspector General. Reported.
118. Federal Grant Agreement Act. Passed House.
119. Federal Program Information Act. Passed House.
120. Countercyclical Antirecession Assistance. Expires.
121. National Womens Conference. Expires.
122. Surplus Property Disposal. In committee.
123. Abolish Advisory Committees. In committee.
124. Access to Presidential Papers. In committee.
125. Omnibus Privacy Act. In committee.
126. FEC Amendments. In committee.
127. House Administrative Improvements. In committee.
128. Archeological Act. Authorization expires.
129. Federal Land Policy Act. Authorization expires.
130. Saline Water Conversion. Authorization expires.
131. Water Resources Research. Authorization expires.

132. Indian Financing Act. Authorization expires.
133. San Luis Project. Authorization expires.
134. Deep Seabed Mining. Ordered reported.
135. Mineral King Park. In committee.
136. Diplomatic Immunity. Passed House.
137. Overseas Private Investment Corp. Pulled from Floor.
138. Tanker and Vessel Safety. In committee.
139. Foreign Relations Authorization. Authorization expires.
140. Clinical Laboratory Improvement Act. Hearings held.
141. Recombinant DNA. Hearings held.
142. Consumer Product Safety. Authorization expires.
143. National Traffic Safety. Authorization expires.
144. SEC. Authorization expired. Conferees meeting.
145. Federal Railroad Administration. Authorization expires.
146. Commerce Domestic Travel. Authorization expires.
147. Environmental Protection Agency. Authorization expires.
148. Public Broadcasting Act. Needs advance authorization.
149. Community Mental Health Centers. Authorization expires.
150. Drug Abuse. Authorization expires.
151. Communications Act. Hearings held.
152. Daylight Savings Time. In committee.
153. Off Track Betting. In committee.
154. Regulation of Travel Agents. In committee.
155. FTC Amendments. In conference.
156. Securities Investor Protection Act. Passed House.
157. Fire Prevention Study Act. Hearings held.
158. Generic Drug Substitution. In committee.
159. Civil Rights of Institutionalized Persons. Hearings held.
160. Temporary Special Prosecutor. Hearings held.
161. Parens Patriae. Hearings held.
162. Department of Justice Authorization. Initial authorization.
163. Civil Rights Commission. Expires.
164. Diplomatic Immunity. In committee.
165. National Security Wiretapping. In committee.
166. Handgun Legislation. In committee.
167. Grand Jury Reform. Hearings held.

168. Marine Mammal Protection. Authorization expires.
169. Fishermens Protective Act. House may act Wednesday.
170. Office of Environmental Quality. Authorization expires.
171. Shipping Act Amendments. Hearings held.
172. East-West Trade. In committee.
173. Fish and Wildlife Administration. Reported.
174. Wildlife Refuge Additions. Passed House and Senate.
175. Coast Guard. Authorization expires.
176. Boat Safety. Authorization expires.
177. OMB Director Salary. Reported.
178. Whistleblowers. Hearings held.
179. Flextime Schedules. Hearings held.
180. Parttime Employment. Hearings held.
181. Military Unions. Hearings held.
182. Supergrades. Hearings held.
183. Aircraft Noise Control. Ordered reported.
184. Transportation Safety Board. Authorization expires.
185. National Visitors Center. Major amendments expected.
186. Aviation Regulatory Reform. In committee.
187. National Climate Program. In committee.
188. Ocean Pollution Research. In committee.
189. NASA. Authorization expires. Controversial.
190. Minority Enterprises. In committee.
191. Solar Energy. In committee.
192. VA Physicians and Dentists. Pay problem.
193. Intelligence Committee. Initial authorization.
194. Endangered Wilderness. In conference.
195. Trading with Enemy Act. Passed House and Senate.
196. Federal Program Information Act. Passed House and Senate.
197. D.C. Revenue Bonds. Passed House and Senate.
198. Medical Student Grants. Passed House and Senate.
199. Rural Health Clinics. House takes up conference report Wednesday.
200. OPIC. Pulled from Floor after damaging amendments. Will be rescheduled.

November 28, 1977

MEMO TO: Speaker O'Neill
FROM : Steve Bourke
SUBJECT: Overseas Private Investment Corporation (OPIC) -- H.R. 9179

I. WHAT THE BILL DOES

The Overseas Private Investment Corporation (OPIC) insures American private investments in developing countries. H.R. 9179 would extend OPIC's authority to write new insurance through FY 1980. This authority would otherwise expire on 12/31/77. H.R. 9179 also removes from existing law a provision requiring OPIC to turn its business over to private companies and close down operations by 12/31/80, a provision seen as unrealistic by the Committee and the Administration.

II. HOUSE FLOOR ACTION

H.R. 9179 was on the House Floor Nov. 2-3 but was pulled from the schedule after several damaging amendments were adopted. Key amendment was Long of Maryland proposal that 50% of all OPIC insurance go to small businesses -- an amendment which would make the OPIC program unworkable (adopted 285-111; D 206-58; R 79-53). Amendment was adopted with support of traditional opponents of foreign involvement plus strong support from organized labor, which has recently gone on offensive against legislation seen as threatening to U.S. jobs (Export-Import Bank and International Development Association-World Bank likely future labor targets).

III. POSSIBLE FUTURE ACTION

With help from Administration, Committee plans possibly to bring bill back to Floor with cosmetic amendments emphasizing how OPIC aids U.S. jobs by assuring flow of natural resources in areas where we depend on other countries. Effect of damaging amendments would then be lessened in conference with Senate, which passed OPIC bill (S 1771) approximately as requested by Administration (vote 69-12).

THE WHITE HOUSE
WASHINGTON

December 1, 1977

Stu Eizenstat

The attached letters were returned in
the President's outbox today and are
forwarded to you for delivery.

Rick Hutcheson

SOCIAL SECURITY LETTER

cc: Frank Moore

THE WHITE HOUSE

WASHINGTON

December 1, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Social Security Letter

We plan to deliver today the letters on social security you signed to Senator Byrd and Speaker O'Neill. Jody will release a copy to the press after they are delivered.

HEW has suggested that as a matter of protocol we should also send signed letters to the chairmen of the Finance and Ways and Means Committees. I agree with that suggestion and recommend you sign the attached letters.

THE WHITE HOUSE

WASHINGTON

To Chairman Al Ullman

I would like to commend you and your colleagues for the progress which has been made on the social security financing legislation I proposed to Congress. I am confident that an effective and equitable bill can emerge from the conference committee.

I believe that it is very important that a social security financing bill be enacted before the end of this year. The continuing problems of the system have eroded public confidence leading many persons to fear that their benefits will not be available when they need them. It is incumbent on us to restore that confidence.

As you know, I submitted to Congress a set of proposals designed to restore the financial integrity of the social security system and keep it strong into the next century. Those measures sought to increase revenues without burdening the average worker and his employer, and reduce expenditures by correcting a flaw which caused double-indexing for inflation. I am pleased to note that the House and Senate versions of the bill incorporate many of these proposals.

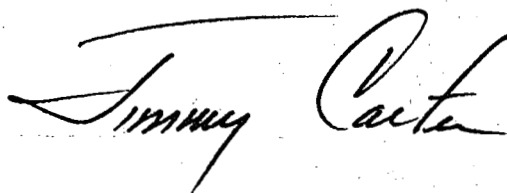
I am nevertheless deeply concerned about provisions in the House and Senate bills which would unwisely add to the tax burden borne by all workers and employers, in order to increase benefits for a relative few. These proposed

increases are all well intentioned, but we cannot afford them at the present time. The benefit increases called for in the two bills could cost from \$7-\$10 billion a year by 1983. As a direct result of these increases in expenditures the new tax rates imposed on today's already burdened workers and employers are higher than they need be.

The bill also contains a new income tax credit and an amendment to the veterans pension law which add an additional \$1-\$2 billion to the cost of the legislation.

I call upon the members of the House and Senate to join me in developing a final fiscally responsible social security financing bill which will be less burdensome to the workers and employers who must pay the taxes, and adequate to restore public confidence in the financial integrity of the social security system. Secretary Califano and his staff stand ready to work with the members of the conference committee in its deliberations.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Al Ullman
Chairman
House Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

To Chairman Russell Long

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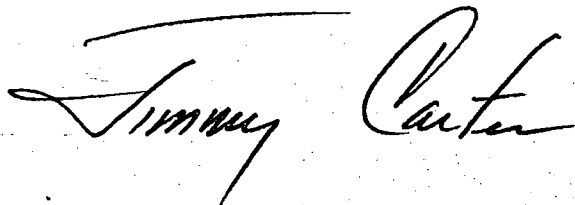
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Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the center of the page, below the word "Sincerely,".

The Honorable Russell B. Long
Chairman
Senate Finance Committee
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

December 1, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

SECURITY VIOLATIONS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

December 1, 1977

*Stu -
Your group is
getting worse
JC*

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: STU EIZENSTAT
FROM: HUGH CARTER *HC*
SUBJECT: Security Violations

The President has asked me to make you aware of the following security violations:

Date	Name	Nature of Violation
11/6	Stu Eizenstat	<u>Secret</u> document found in trash can; Confidential document found on table
11/6	Joanne Hurley	Confidential document found inside folder on desk
11/6	Kitty Schirmer	<u>Secret</u> documents found in open safe
11/17	Kitty Schirmer	<u>Secret</u> documents found in open safe
11/18	Kitty Schirmer	<u>Secret</u> document found on table behind desk
11/20	David Rubeinstein	Confidential document found in in-out box
11/25	Bert Carp	<u>Secret</u> and Confidential documents found on desk

cc: The President

THE WHITE HOUSE
WASHINGTON

December 1, 1977

Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

SECURITY VIOLATIONS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
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	ENROLLED BILL
	AGENCY REPORT
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	BOURNE
✓	BRZEZINSKI
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	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Electrostatic Copy Made
for Preservation Purposes

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 1, 1977

3619 -
Your group is
getting worse.
J.C.

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: HUGH CARTER *HC*
SUBJECT: Security Violations

The President has asked me to make you aware of the following security violations:

Date	Name	Nature of Violation
11/5	Gregory Treverton	<u>Secret</u> document found on desk
11/5	Michel Oksenberg	<u>Top Secret</u> documents found in open safe
11/9	Robert R. King	<u>Secret</u> documents found in open safe
11/9	Mike Armacost	<u>Secret</u> documents found in open safe
11/15	Thomas P. Thornton	<u>Secret</u> documents found in open safe
11/20	Flora Paoli	<u>Secret</u> document found in desk drawer

cc: The President